



LEGISLATIVE FISCAL OFFICE



STATE OF ALABAMA

LEGISLATIVE FISCAL OFFICE

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Members of the Alabama Legislature:

This booklet was prepared by the Legislative Fiscal Office to provide members of the Alabama Legislature with general budgetary information as well as other information about state government finances such as the appropriation totals for selected state agencies for fiscal year 2008-09, bonded indebtedness, pay raises, health insurance and retirement rates and costs for state employees and teachers and the proration history for the Education Trust Fund and the State General Fund.

It was designed to be a quick reference guide for the membership concerning frequently asked questions about the above mentioned topics.

We hope the information contained herein will be useful. Any suggestions that you might have for subsequent editions of this booklet are welcomed.

Sincerely,

Joyce Bigbee
Director

JB:dj

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**TOTAL APPROPRIATIONS
FOR FY 2008-2009**

**General Fund Budget
and Separate Bills**

Millions

| | |
|---|--------------------------|
| State General Fund | \$2,012.3 |
| Earmarked State Funds and Federal and Local Funds (includes transfers from other agencies) | <u>\$9,727.5</u> |
| Total Appropriations | <u>\$11,739.8</u> |

**Education Trust Fund Budget
and Separate Bills**

| | |
|--|---------------------------------|
| Education Trust Fund | \$6,359.6 |
| Earmarked State Funds and Federal and Local Funds | \$6,047.4 |
| Total Appropriations | <u>\$12,407.0</u> |
| GRAND TOTAL ALL APPROPRIATIONS | <u><u>\$24,146.8</u></u> |

**BONDED INDEBTEDNESS
AS OF SEPTEMBER 30, 2007
G.O. AND REVENUE BONDS
OUTSTANDING DEBT**

| | <u>Principal Amount</u> | <u>Debt Per Capita</u> |
|--------------------------|------------------------------------|-----------------------------------|
| General Obligation Bonds | \$767,116,740 | \$165.76 |
| Revenue Bonds | <u>3,983,132,002</u> | <u>860.69</u> |
| Total Outstanding Debt | \$4,750,248,742 | \$1,026.45 |

**ANNUAL DEBT SERVICE
ON G.O. DEBT OUTSTANDING
AS OF SEPTEMBER 30, 2007**

| FY Ending 9/30 | Total G.O. Bond Debt Service |
|-----------------------|---|
| 2008 | \$86,078,871 |
| 2009 | \$65,877,686 |
| 2010 | \$65,786,949 |
| 2011 | \$63,732,651 |
| 2012 | \$63,629,939 |
| 2013 – thereafter | \$766,068,979 |

**ANNUAL DEBT SERVICE
ON REVENUE BONDS
OUTSTANDING AS OF SEPTEMBER 30, 2007**

| FY Ending 9/30 | Total Debt Service |
|-----------------------|-------------------------------|
| 2008 | \$424,439,581 |
| 2009 | \$505,592,168 |
| 2010 | \$368,242,037 |
| 2011 | \$360,400,857 |
| 2012 | \$352,882,573 |
| 2013 – thereafter | \$4,376,873,285 |

Source: Examiners' Report on Bond Indebtedness.
Filed: May 16, 2008

PRORATION

Amendment No. 26 to the Alabama Constitution, 1901 provides that no warrants shall be drawn on the State Treasury unless sufficient revenues are available. In such instances, any expenditure from any funds that have insufficient revenue shall be prorated so that only available revenues are expended.

The most recent occurrences of proration in the Education Trust Fund and General Fund are listed below.

EDUCATION TRUST FUND PRORATION

| <u>Fiscal Year</u> | <u>%</u> |
|--------------------|----------|
| 1978-79 | 3.0% |
| 1979-80 | 6.1% |
| 1980-81 | 3.6% |
| 1985-86 | 4.2% |
| 1990-91 | 6.5% |
| 1991-92 | 3.0% |
| 2000-01 | 6.2% |
| 2002-03* | 4.4% |

GENERAL FUND PRORATION

| <u>Fiscal Year</u> | <u>%</u> |
|--------------------|----------|
| 1982-83 | 15.0% |
| 1985-86 | 3.0% |
| 1990-91 | 2.6% |
| 1991-92 | 5.5% |
| 1992-93 | 3.2% |

Percents are rounded to nearest tenth of a percent.

*In FY 2002-03, \$179,993,229 was transferred to the Education Trust Fund from the Education Trust Fund Rainy Day Account and \$54,250 was transferred to the Education Trust Fund from the Proration Prevention Account in order to offset proration for state education agencies.

EDUCATION TRUST FUND RESERVE FUNDS

Proration Prevention Account

Act 88-981, now codified as Section 40-1-32.1, Code of Alabama 1975, created the Proration Prevention Account. Section 40-1-32.1 was amended in 1999 to require that 20% of any unanticipated and unappropriated ending balance in the ETF be deposited into the Account. The Legislature has increased the 20% to 75% and/or appropriated additional amounts into the fund in several fiscal years. Interest earned on the Account remains in the Account. The balance in the Account at the end of each fiscal year is shown below:

| | |
|-----------|-------------|
| FY 2002 | 12,385 |
| FY 2003* | 0 |
| FY 2004 | 11,101 |
| FY 2005 | 17,047,968 |
| FY 2006 | 242,663,352 |
| FY 2007 | 428,632,342 |
| FY 2008** | 0 |

*During FY 2003, \$54,250 was transferred to the ETF to offset proration.

**During FY 2008, an estimated \$439,372,000 will be transferred to the ETF to avoid proration.

Rainy Day Account

Amendment 709 to the Alabama Constitution created the Rainy Day Account as a part of the Alabama Trust Fund. Funds remain in the Alabama Trust Fund until they are needed to offset proration of the ETF. The maximum balance in the Account is \$248 million. Amounts withdrawn from the Account must be repaid within five years. In FY 2003, \$179,993,229 was withdrawn from the Account. The balance in the Account at the end of each fiscal year is shown below:

| | |
|---------|-------------|
| FY 2002 | 248,000,000 |
| FY 2003 | 68,006,771 |
| FY 2004 | 104,006,771 |
| FY 2005 | 140,006,771 |
| FY 2006 | 176,006,771 |
| FY 2007 | 248,000,000 |
| FY 2008 | 248,000,000 |

Note: There are no reserve funds for the State General Fund.

**ESTIMATED COST OF A TEACHER UNIT
FY 2008-09**

Salary Matrix for FY 2008-09

| Years Experience | Degree Level | | | | |
|---------------------|--------------|-----------|---------------|---------------|------------------|
| | <u>BS</u> | <u>MS</u> | <u>6 Year</u> | <u>Doctor</u> | <u>No Degree</u> |
| Exp < 3 | 36,144 | 41,564 | 44,818 | 48,071 | 36,144 |
| 3 < exp < 6 | 39,756 | 45,720 | 49,297 | 52,877 | 39,756 |
| 6 < exp < 9 | 41,497 | 47,721 | 51,470 | 55,191 | 41,497 |
| 9 < exp < 12 | 42,053 | 48,362 | 52,148 | 55,932 | 42,053 |
| 12 < exp < 15 | 42,818 | 49,238 | 53,093 | 56,949 | 42,818 |
| 15 < exp < 18 | 43,794 | 50,364 | 54,305 | 58,244 | 43,794 |
| 18 < exp < 21 | 44,360 | 51,012 | 55,005 | 58,999 | 44,360 |
| 21 < exp < 24 | 44,926 | 51,666 | 55,708 | 59,752 | 44,926 |
| 24 < exp < 27 | 45,461 | 52,201 | 56,245 | 60,288 | 45,461 |
| 27 > exp | 45,997 | 52,737 | 56,780 | 60,824 | 45,997 |

Average Salary (FY 2008-09) \$46,312

Fringe Benefits

| | |
|------------------------------------|-------|
| FICA and Medicare @ 7.65% | 3,543 |
| TRS @ 12.07% | 5,590 |
| PEEHIB @ \$752 per month | 9,024 |
| Unemployment Compensation @ 0.125% | 58 |
| Leave 7 days @ \$60 per day | 420 |

Classroom Instructional Support

| | |
|--------------------------|-----|
| Student Materials | 400 |
| Technology | 250 |
| Professional Development | 35 |
| Library Enhancement | 175 |
| Common Purchase | 125 |

Other Current Expense 16,824

| | |
|--------------|-----------------|
| TOTAL | \$82,756 |
|--------------|-----------------|

COST OF LIVING SALARY INCREASES

| | State Employees | Teachers |
|---------|--------------------|--|
| 1990-91 | 7.5% | 8.0% |
| 1991-92 | 0.0% | 0.0% |
| 1992-93 | 0.0% | 0.0% |
| 1993-94 | 0.0% * | 6.5% |
| 1994-95 | 8.0% | 8.5% |
| 1995-96 | 0.0% | 0.0% |
| 1996-97 | 0.0% | 4.0% |
| 1997-98 | 0.0% | 0.0% |
| 1998-99 | 8.0% | 8.5% |
| 1999-00 | 0.0% | 0.0% |
| 2000-01 | 2.0% | 1%-5.5% (depending upon experience) |
| 2001-02 | 2.0% | 0.0% |
| 2002-03 | 3.0% | 3.0% |
| 2003-04 | 0.0% | 0.0% |
| 2004-05 | 0.0% | 0.0% |
| 2005-06 | 6.0% | 6.0% |
| 2006-07 | 5.0% | 5.0% |
| 2007-08 | 3.5% | 7.0% |
| 2008-09 | 3.5% | 0.0% |

*State employees received a one-time \$1,250 bonus in lieu of a salary increase.

**COSTS FOR SALARY INCREASES FOR
TEACHERS AND SUPPORT PERSONNEL IN K-14
FISCAL YEARS 1996-2009**

| FISCAL YEAR | PERCENT INCREASE | | ESTIMATED COST TO ETF |
|------------------------|-----------------------------|-----------------------------|----------------------------------|
| 1996 | 0% | | |
| 1997 | 4% | | 86.3 million |
| 1998 | 0% | | |
| 1999 | 8.5% | | 184.8 million |
| 2000 | 0% | | |
| 2001 | 1%-5.5% | (Depending upon experience) | 114.4 million |
| 2002 | 0% | | |
| 2003 | 3% | | 80.0 million |
| 2004 | 0% | | |
| 2005 | 0% | | |
| 2006 | 6% | | 184.8 million |
| 2007 | 5% | | 175.9 million |
| 2008 | 7% | | 269.4 million |
| 2009 | 0% | | |

**COSTS FOR SALARY INCREASES FOR
STATE EMPLOYEES
FISCAL YEARS 1996-2009**

| FISCAL YEAR | PERCENT INCREASE | TOTAL COST | ADDITIONAL AMOUNT APPROPRIATED FROM GENERAL FUND |
|------------------------|-----------------------------|-----------------------|---|
| 1996 | 0% | | |
| 1997 | 0% | | |
| 1998 | 0% | | |
| 1999 | 8% | 96.0 million | 9.3 million* |
| 2000 | 0% | | |
| 2001 | 2% | 24.4 million | 4.25 million** |
| 2002 | 2% | 24.4 million | 0.00 |
| 2003 | 3% | 40.5 million | 13.0 million |
| 2004 | 0% | | |
| 2005 | 0% | | |
| 2006 | 6% | 86.1 million | 30.0 million |
| 2007 | 5% | 77.9 million | 26.7 million |
| 2008 | 3.5% | 62.8 million | 21.0 million |
| 2009 | 3.5% | 67.1 million | 24.5 million |

*Remainder paid from retirement contribution savings and other agency funds.

**Represents one-half the State General Fund cost of the pay raise.

RETIREE COST OF LIVING INCREASES

| Fiscal Year | Employees' Retirement System | Teachers' Retirement System |
|-------------|--|--|
| 1989-90 | None | \$1/mo. for each year of service |
| 1990-91 | \$1/mo. for each year of service, plus \$3/mo. for each year since retirement. | \$1/mo. for each year of service, plus \$3/mo. for each year since retirement. |
| 1991-92 | None | None |
| 1992-93 | None | None |
| 1993-94 | 1.28%, plus \$1.28/mo. for each year of service and for each year since retirement. | 1.28%, plus \$1.28/mo. for each year of service and for each year since retirement. |
| 1994-95 | 2.5%, plus \$1.50/mo. for each year of service and \$1/mo. for each year since retirement; minimum of \$25/mo. | 2.5%, plus \$1.50/mo. for each year of service and \$1/mo. for each year since retirement; minimum of \$25/mo. |
| 1995-96 | None | None |
| 1996-97 | 2.0%, plus \$1/mo. for each year of service; minimum of \$25/mo. | 2.0%, plus \$1/mo. for each year of service; minimum of \$25/mo. |
| 1997-98 | None | None |
| 1998-99 | 4.0%, plus \$2/mo. for each year of service; minimum of \$30/mo. | 4.0%, plus \$2/mo. for each year of service; minimum of \$30/mo. |
| 1999-00 | None | None |
| 2000-01 | 4.0%; minimum of \$25/mo. | 4.0%; minimum of \$15/mo. |
| 2001-02 | None | None |
| 2002-03 | 3.0%; minimum of \$15/mo. | 3.0%; minimum of \$15/mo. |
| 2003-04 | None | None |
| 2004-05 | None | None |
| 2005-06 | 4.0%; minimum of \$15/mo. | 4.0%; minimum of \$15/mo. |
| 2006-07 | 7.0%; minimum of \$25/mo. | 7.0%; minimum of \$25/mo. |
| 2007-08 | One-time bonus equal to \$1/mo. for each year of service. | One-time bonus equal to \$2/mo. for each year of service. |
| 2008-09 | One-time bonus equal to \$1/mo. for each year of service. | None |

RETIREMENT SYSTEM CONTRIBUTION RATES

Employer Contribution Rates:

| | <u>Teachers</u> | <u>State Employees</u> | <u>State Police</u> | <u>Judges</u> |
|-----------|-----------------|----------------------------|---------------------|---------------|
| FY 1985 | 9.75% | 7.59% | 15.95% | 39.80% |
| FY 1986 | 7.57% | 6.55% | 12.89% | 35.70% |
| FY 1987 | 7.57% | 7.10% | 13.44% | 35.70% |
| FY 1988 | 7.57% | 7.10% | 15.69% | 35.70% |
| FY 1989 | 7.57% | 7.10% | 13.44% | 37.58% |
| FY 1990 | 7.57% | 7.10% | 13.44% | 27.00% |
| FY 1991 | 7.57% | 7.12% | 13.46% | 27.00% |
| FY 1992 | 6.35% | 6.02% | 12.59% | 27.00% |
| FY 1993 | 6.35% | 6.00% | 12.59% | 28.70% |
| FY 1994 | 6.31% | 6.00% | 14.23% | 27.01% |
| FY 1995 | 6.31% | 6.99% | 15.22% | 27.01% |
| FY 1996 | 9.23% | 6.99% | 15.22% | 23.05% |
| FY 1997 | 9.23% | 6.99% | 15.17% | 19.71% |
| FY 1998 | 9.66% | 7.56% | 15.74% | 19.71% |
| FY 1999 | 4.03% | 3.11% | 6.85% | 9.16% |
| FY 2000 | 6.38% | 4.08% | 9.45% | 21.19% |
| FY 2001 | 6.38% | 4.08% | 9.45% | 21.19% |
| FY 2002 | 5.96% | 3.95% | 9.24% | 21.19% |
| FY 2003 | 5.02% | 3.95% | 9.24% | 21.19% |
| FY 2004 | 6.56% | 4.19% | 13.87% | 21.93% |
| FY 2005 | 7.03% | 5.57% | 18.03% | 21.93% |
| FY 2006 | 8.17% | 6.77% | 21.36% | 21.93% |
| FY 2007 | 9.36% | 7.78% | 24.12% | 22.50% |
| FY 2008* | 11.75% | 10.26% | 30.42% | 23.23% |
| FY 2009** | 12.07% | 11.88% | 30.99% | 23.23% |

*The FY 2008 rates include the following one-time amounts attributable to bonus payments to retirees: teachers, .69%; state employees, .42%; state police, .42%; judges, .18%.

**The FY 2009 rates include the following one-time amounts attributable to bonus payments to retirees: state employees, .51%; state police, .51%; judges, .18%.

Employee Contribution Rates:

- 5% Teachers, State Employees (except state police and certified law enforcement, correctional officers and firemen)
- 10% State Police
- 6% Judges and certified law enforcement, correctional officers, and firemen

Note: Employee contribution rates are set by statute.

HISTORY OF EMPLOYER COST FOR RETIREMENT SYSTEMS

| FY | TRS ⁽¹⁾ | ERS ⁽²⁾ | JRF ⁽³⁾ |
|--------|--------------------|--------------------|--------------------|
| 1991 | 248,442,003 | 61,270,340 | 5,120,533 |
| 1992 | 233,507,746 | 53,628,567 | 5,979,485 |
| 1993 | 235,429,461 | 54,506,267 | 6,859,219 |
| 1994 | 245,783,913 | 56,265,932 | 6,280,387 |
| 1995 | 289,703,296 | 69,619,376 | 6,854,217 |
| 1996 | 284,615,456 | 68,802,114 | 6,494,717 |
| 1997 | 328,195,083 | 68,911,987 | 5,866,165 |
| 1998 | 355,953,472 | 74,055,482 | 5,397,838 |
| 1999 * | 182,895,065 | 33,428,569 | 2,969,304 |
| 2000 | 267,906,340 | 43,442,959 | 5,582,715 |
| 2001 | 280,051,290 | 49,144,145 | 7,531,949 |
| 2002 | 266,510,671 | 46,053,625 | 8,200,383 |
| 2003 | 238,725,494 | 48,522,435 | 8,627,322 |
| 2004 | 305,887,402 | 52,218,449 | 8,982,290 |
| 2005 | 343,724,774 | 68,739,801 | 8,946,381 |
| 2006 | 425,544,602 | 90,951,802 | 8,915,570 |
| 2007 | 532,004,599 | 115,156,793 | 9,293,711 |
| 2008 | 735,240,000 | 159,893,000 | 10,072,000 |
| 2009 | 770,369,000 | 186,016,000 | 10,339,000 |

⁽¹⁾ Teachers' Retirement System **total** cost. Since FY 1996 a small portion of the employer contribution shown above has been paid from funds other than the ETF.

⁽²⁾ Employees' Retirement System **total** cost.

⁽³⁾ Judicial Retirement Fund **total** cost.

*The Retirement System changed from book to market value for assets in FY 1999, resulting in a lowering of the employer rate/contributions most significantly in FY 1999, but which also affected employer contributions each year thereafter to a lesser degree.

Note: FY 2008 amounts shown are the budgeted amounts. The amounts shown for FY 2009 are estimated amounts.

**STATE EMPLOYEES' HEALTH INSURANCE PLAN (SEHIP)
MONTHLY RATES**

| Fiscal Year | Employer Cost Per Active Employee | Active Employee Cost for Dependent Coverage | Tobacco User Surcharge |
|--------------------|--|--|-------------------------------|
| 1991-92 | 195.00 | 141.00 | |
| 1992-93 | 211.00 | 152.00 | |
| 1993-94 | 243.00 | 164.00 | |
| 1994-95 | 255.00 | 164.00 | |
| 1995-96 | 255.00 | 164.00 | |
| 1996-97 | 255.00 | 164.00 | |
| 1997-98 | 255.00 | 164.00 | |
| 1998-99 | 320.00 | 164.00 | |
| 1999-00 | 357.00 | 164.00 | |
| 2000-01 | 400.00 | 164.00 | |
| 2001-02 | 445.00 | 164.00 | |
| 2002-03 | 490.00 | 164.00 | |
| 2003-04 | 550.00 ⁽¹⁾ | 164.00 | |
| 2004-05 | 650.00 | 164.00 | |
| 2005-06 | 668.00 ⁽²⁾ | 164.00 | 20.00 |
| 2006-07 | 717.00 | 180.00 | 22.00 |
| 2007-08 | 775.00 ⁽³⁾ | 180.00 | 24.00 |
| 2008-09 | 775.00 | 180.00 | 25.00 |

⁽¹⁾ A one month credit of \$250 reduced the effective monthly employer cost per active employee for the fiscal year to \$529.17.

⁽²⁾ A one month credit of \$216 reduced the effective monthly employer cost per active employee for the fiscal year to \$650.

⁽³⁾ A one month credit of \$775 reduced the effective monthly cost per active employee for the fiscal year to \$710.42.

Note: The full cost of individual coverage for active employees is paid by the employer (no employee contribution).

**PUBLIC EDUCATION EMPLOYEES' HEALTH INSURANCE PLAN
(PEEHIP) – MONTHLY RATES**

| Fiscal Year | Employer Cost Per Active Employee | Active Employee Contribution for Individual Coverage | Active Employee Cost for Dependent Coverage |
|--------------------|--|---|--|
| 1986-87 | N/A | 2.00 | 93.00 |
| 1987-88 | N/A | 2.00 | 93.00 |
| 1988-89 | N/A | 2.00 | 93.00 |
| 1989-90 | N/A | 2.00 | 122.00 |
| 1990-91 | N/A | 2.00 | 122.00 |
| 1991-92 | N/A | 2.00 | 122.00 |
| 1992-93 | N/A | 2.00 | 122.00 |
| 1993-94 | N/A | 2.00 | 122.00 |
| 1994-95 | N/A | 2.00 | 122.00 |
| 1995-96 | 210.50 | 2.00 | 122.00 |
| 1996-97 | 165.00 | 2.00 | 122.00 |
| 1997-98 | 200.00 | 2.00 | 122.00 |
| 1998-99 | 225.00 | 2.00 | 122.00 |
| 1999-00 | 317.00 | 2.00 | 122.00 |
| 2000-01 | 345.00 | 2.00 | 132.00 |
| 2001-02 | 414.00 | 2.00 | 132.00 |
| 2002-03 | 433.00 | 2.00 | 132.00 |
| 2003-04 | 479.00 | 2.00 | 132.00 |
| 2004-05 | 583.00 | 2.00 | 132.00 |
| 2005-06 | 668.00 | 2.00 | 132.00 |
| 2006-07 | 717.00 | 2.00 | 132.00 |
| 2007-08 | 775.00 | 2.00 | 132.00 |
| 2008-09 | 752.00 | 2.00 | 132.00 |

Note: Prior to FY 1995-96, PEEHIP received a direct appropriation from the ETF; therefore, there was no "Employer Cost for Active Employees" for those fiscal years. The rates shown for individual and dependent coverage beginning with FY 2006 are after application of the tobacco user discount (\$20 per month per person effective FY 2006 increased to \$22 per month per person effective FY 2008). Unless an employee with employer paid individual coverage or with a spouse covered as a dependent declares that they and the covered spouse have not used tobacco products within the last 12 months, the additional monthly amount must be paid by the employee.

**HISTORY OF EMPLOYER COST FOR
TEACHERS' AND STATE EMPLOYEES' HEALTH INSURANCE**

| FY | PEEHIP ⁽¹⁾ | SEHIP ⁽²⁾ |
|-----------|------------------------------|-----------------------------|
| 1991 | 129,405,630 | 88,637,596 |
| 1992 | 162,763,300 | 88,735,693 |
| 1993 | 237,911,040 | 97,165,197 |
| 1994 | 237,911,040 | 103,629,524 |
| 1995 | 117,500,000 | 117,989,175 |
| 1996 | 214,606,434 | 115,667,901 |
| 1997 | 180,450,600 | 112,947,717 |
| 1998 | 271,768,000 | 91,502,406 |
| 1999 | 317,273,000 | 131,585,762 |
| 2000 | 373,727,784 | 148,115,489 |
| 2001 | 404,200,620 | 169,112,747 |
| 2002 | 481,170,672 | 193,682,768 |
| 2003 | 509,244,372 | 217,474,419 |
| 2004 | 566,126,268 | 227,042,877 |
| 2005 | 698,704,512 | 276,662,054 |
| 2006 | 805,407,600 | 281,492,460 |
| 2007 | 881,918,604 | 319,123,823 |
| 2008 | 953,259,000 | 315,581,550 |
| 2009 | 924,960,000 | 348,861,600 |

⁽¹⁾ Public Education Employees' Health Insurance Plan. For FY 1991 through FY 1995 PEEHIP received an appropriation from the ETF. Since FY 1996 premiums have been paid directly by employers based on a premium rate set in the ETF budget act. A small portion of these premiums are paid from funds other than the ETF. The amounts shown above reflect total cost.

⁽²⁾ State Employees' Health Insurance Plan - total cost.

Note: FY 2008 amounts shown are the budgeted amounts. The amounts shown for FY 2009 are estimated amounts.

RETIREE HEALTH CARE TRUST FUNDS

Public Education Employees' Health Insurance Board (PEEHIB)

In response to a requirement by the Governmental Accounting Standard Board (GASB) that liabilities for retiree benefits be recognized on a current basis, Act 2007-16 authorized the PEEHIB to create an irrevocable trust for the purpose of holding, investing, and distributing assets to be used for certain retiree benefits. The trust fund balance, as of September 30, 2007, was \$418,657,607.

State Employees' Insurance Board (SEIB)

In response to a requirement by the Governmental Accounting Standard Board (GASB) that liabilities for retiree benefits be recognized on a current basis, Act 2007-16 authorized the SEIB to create an irrevocable trust for the purpose of holding, investing, and distributing assets to be used for certain retiree benefits. The trust fund balance, as of September 30, 2007, was \$0; however, the Board transferred \$50 million from its excess reserves to the trust after the end of FY 2007.

Note: Constitutional Amendment No. 798 provides that the assets of the trusts shall be used exclusively for the expenses of administering the trusts and for health care benefits.

LEGISLATIVE COMPENSATION

| Annual Compensation for House and Senate Members | |
|--|----------|
| Salary (\$10/day for 105 days) | \$1,050 |
| Expense Allowance (\$50/day for 45 days) | \$2,250 |
| Monthly Expense Allowance (\$3,958/month for 12 months) | \$47,496 |
| Total Annual Minimum Compensation | \$50,796 |
| | |
| Annual Compensation for Speaker and Lt. Governor | |
| Salary (\$12/day for 105 days) | \$1,260 |
| Expense Allowance (\$50/day for 45 days) | \$2,250 |
| Monthly Expense Allowance (\$3,958/month for 12 months) | \$47,496 |
| Additional Monthly Expense Allowance (\$1,500/month for 12 months) | \$18,000 |
| Total Annual Minimum Compensation | \$69,006 |

The above compensation total excludes the additional salary (\$10/day) and expense allowance (\$50/day) that legislators would receive for attending a Special Legislative Session. It also excludes mileage reimbursement that each legislator receives for attending a legislative session (\$.10 per mile round-trip from residence to capitol, once per session).

Act 07-75 stated that the monthly expense allowance provided to each legislator would be "adjusted annually to reflect any increase in the cost of living as indicated by the United States Department of Labor Consumer Price Index." Specifically, it was determined that the Consumer Price Index for All Urban Consumers (CPI-U), as published by the Department of Labor's Bureau of Labor Statistics (BLS), would be utilized when calculating the annual increase. The annual increase will be the average of the twelve monthly annual changes from January to December of each year, rounded to the nearest one tenth of one percent (this change is published annually by the BLS). The new payment will be rounded to the nearest dollar amount. The increase will be effective April 1 of each year with the first increased payment being made on April 30, 2008. The monthly expense allowance shown above reflects an adjusted increase of 2.8%, from \$3,850/month to \$3,958/month.

Source:

Salary: Amendment 57 of the Constitution; Section 29-1-8 of the Code of Alabama 1975

Expense Allowance: Act 91-108

Monthly Expense Allowance: Act 07-75

Additional Monthly Expense Allowance: Act 71-1196

ESTIMATED COST OF A LEGISLATIVE SESSION

| Regular Session | # of Days or Months | Salary Per Day | Total # | Monthly Costs | Total Costs |
|---|------------------------|-------------------|---------|------------------|--------------------|
| Legislator Salary | 105 days | \$10 | 139 | | \$145,950 |
| Speaker & Lt. Gov | 105 days | \$12 | 2 | | \$2,520 |
| Mileage (House/Senate) | | | | | \$3,600 |
| Temporary Employees | 4 months | | | \$150,000 | \$600,000 |
| Security | 3 months | | | \$8,750 | \$26,250 |
| Legislator Expense Allowance | 45 days | \$50 | 141 | | \$317,250 |
| Delivery of Journals (House/Senate) | | | | | \$1,600 |
| Supplies (House/Senate and Data Processing) | 3 months | | | | \$60,000 |
| Total Regular Session | | | | | \$1,157,170 |

Note: Assumes one month administrative wrap-up in a Regular Session.

Does not include the monthly expense allowances provided to each Legislator.

105 calendar days = 15 weeks @ 3 days per week = Estimated 45 days for Legislator Expense Allowance.

ANNUAL COMPENSATION: GOVERNOR'S CABINET

| Department | Name | Annual Salary as of 10/1/2008 |
|--|------------------------|--|
| Finance Dept. | Jim Main | \$91,013.76 |
| Banking Dept. | John Harrison | \$157,380.03 |
| Dept. of Industrial Relations | Tom Surtees | \$139,259.00 |
| Dept. of Insurance | Jim Ridling | \$91,013.76 |
| Dept. of Labor | Jim Bennett | \$91,013.76 |
| Dept. of Mental Health/Retardation | John Houston | \$145,296.61 |
| Dept. of Revenue | Tim Russell | \$91,013.76 |
| Dept. of Senior Services | Irene Collins | \$91,013.76 |
| Tourism & Travel | Lee Sentell | \$91,013.76 |
| Dept. of Transportation | Joe McInnes | \$91,013.76 |
| Dept. of Public Safety | Col. Chris Murphy | \$91,013.76 |
| Alabama Development Office | Neal Wade | \$165,081.67 |
| Emergency Management Agency | Brock Long | \$124,200.00 |
| Military Dept. | Adj. Gen. A.C. Blalock | \$91,013.76 |
| Dept. of Homeland Security | Jim Walker | \$149,034.04 |
| Medicaid Agency | Carol Steckel | \$138,304.15 |
| Dept. of Human Resources | Nancy Buckner | \$140,000 |
| Alcoholic Beverage Control | Emory Folmar | \$91,013.76 |
| Dept. of Children's Affairs | Dr. Marquita Davis | \$110,000 |
| Dept. of Economic and Community Affairs | Bill Johnson | \$91,013.76 |
| Dept. of Corrections | Richard Allen | \$123,726.55 |
| Dept. of Conservation & Natural Resources | Barnett Lawley | \$91,013.76 |

Payroll Information: Personnel Dept. quarterly report ending 3/31/08.

Cabinet Information: Gov. Riley's website - 9/16/08.

Salary information: Includes 3.5% pay raise provided to all State employees on 10/1/08.

COMMUNITY SERVICES GRANT PROGRAM

| Fiscal Year | ETF | SGF |
|-------------|--------------|-------------|
| | | |
| 1997 | \$5,000,000 | \$4,000,000 |
| 1998 | - | |
| 1999 | \$5,000,000 | |
| 2000 | \$10,000,000 | |
| 2001 | \$12,128,340 | |
| 2002 | \$12,393,833 | |
| 2003 | \$11,207,396 | |
| 2004 | - | |
| 2005 | \$11,700,000 | |
| 2006 | \$13,404,633 | |
| 2007 | \$13,800,000 | |
| 2008 | \$14,766,000 | |
| 2009 | \$10,000,000 | |

FY 97 was the only time CSG funds were appropriated from the SGF.

The FY 01 and 03 amounts represent the amounts appropriated after proration of 6.2% and 4.4%, respectively, was declared.

The FY 06 appropriation includes a \$12.8 million appropriation plus \$604,633 for those legislative districts which did not receive their full FY 05 allocation due to a lawsuit.

ALABAMA CAPITAL IMPROVEMENT TRUST FUND

The Alabama Capital Improvement Trust Fund (ACITF) was created in 2000 by Amendment 666 to the Alabama Constitution of 1901. Twenty-eight percent of royalties received by the state from offshore production of oil or natural gas are deposited into the ACITF. Amounts in the ACITF can be appropriated for capital improvements, including debt service on bonds.

| | <u>Actual FY 2007</u> | <u>Budgeted FY 2008</u> | <u>Estimated FY 2009</u> |
|-----------------------------|---------------------------|-----------------------------|------------------------------|
| Beginning Balance | 63.7 | 39.4 | 10.0 |
| Royalties Received | 103.4 | 71.7 | 90.0 |
| Total Available | 167.1 | 111.1 | 100.0 |
| Expenditures/Appropriations | 127.7 | 101.1 | 80.2 |
| Ending Balance | 39.4 | 10.0 | 19.8 |

EDUCATION TRUST FUND RECEIPTS AND EXPENDITURES

| Fiscal Year | Receipts | | Expenditures |
|----------------|-----------------|--------|-----------------|
| | Amount | Change | Amount |
| 1985 | \$1,822,580,225 | 6.03% | \$1,824,205,375 |
| 1986 | \$1,886,141,299 | 3.49% | \$2,136,512,263 |
| 1987 | \$2,087,058,529 | 10.65% | \$2,047,466,345 |
| 1988 | \$2,217,014,886 | 6.23% | \$2,112,773,900 |
| 1989 | \$2,373,481,524 | 7.06% | \$2,483,060,672 |
| 1990 | \$2,481,832,988 | 4.57% | \$2,482,004,527 |
| 1991 | \$2,524,540,232 | 1.72% | \$2,558,206,830 |
| 1992 | \$2,623,153,373 | 3.91% | \$2,621,045,355 |
| 1993 | \$2,827,045,036 | 7.77% | \$2,757,564,315 |
| 1994 | \$3,020,782,528 | 6.85% | \$2,997,076,069 |
| 1995 | \$3,203,670,344 | 6.05% | \$3,287,001,937 |
| 1996 | \$3,346,547,104 | 4.46% | \$3,345,617,091 |
| 1997 | \$3,527,022,712 | 5.39% | \$3,550,737,409 |
| 1998 | \$3,734,614,941 | 5.89% | \$3,721,359,200 |
| 1999 | \$3,911,479,690 | 4.74% | \$3,911,156,500 |
| 2000 | \$4,114,571,877 | 5.19% | \$4,115,371,659 |
| 2001 | \$4,015,374,184 | -2.41% | \$4,036,182,733 |
| 2002 | \$4,133,348,664 | 2.94% | \$4,138,712,868 |
| 2003 | \$4,249,955,349 | 2.82% | \$4,252,726,523 |
| 2004 | \$4,456,026,869 | 4.85% | \$4,281,961,572 |
| 2005 | \$4,969,255,238 | 11.52% | \$4,597,071,292 |
| 2006 | \$5,498,361,937 | 10.65% | \$5,383,104,303 |
| 2007 | \$5,854,027,193 | 6.47% | \$6,273,363,954 |

GENERAL FUND RECEIPTS AND EXPENDITURES

| Fiscal Year | Receipts | | Expenditures |
|----------------|-----------------|--------|-----------------|
| | Amount | Change | Amount |
| 1985 | \$608,864,958 | 19.92% | \$572,933,294 |
| 1986 | \$583,925,573 | -4.10% | \$633,057,336 |
| 1987 | \$603,782,859 | 3.40% | \$582,355,893 |
| 1988 | \$669,225,673 | 10.84% | \$666,452,317 |
| 1989 | \$713,463,977 | 6.61% | \$727,436,019 |
| 1990 | \$750,230,918 | 5.15% | \$737,967,964 |
| 1991 | \$797,383,173 | 6.29% | \$827,730,791 |
| 1992 | \$808,334,687 | 1.37% | \$785,578,853 |
| 1993 | \$832,517,581 | 2.99% | \$810,547,704 |
| 1994 | \$836,506,295 | 0.48% | \$862,748,583 |
| 1995 | \$874,315,598 | 4.52% | \$864,335,797 |
| 1996 | \$896,910,316 | 2.58% | \$893,923,750 |
| 1997 | \$913,394,224 | 1.84% | \$924,512,500 |
| 1998 | \$980,688,962 | 7.37% | \$966,234,023 |
| 1999 | \$1,028,896,601 | 4.92% | \$1,008,230,029 |
| 2000 | \$1,130,069,255 | 9.83% | \$1,127,796,166 |
| 2001 | \$1,163,074,891 | 2.92% | \$1,198,432,091 |
| 2002 | \$1,144,312,996 | -1.61% | \$1,205,131,989 |
| 2003 | \$1,313,933,803 | 14.82% | \$1,234,836,991 |
| 2004 | \$1,297,452,185 | -1.25% | \$1,261,423,837 |
| 2005 | \$1,437,229,950 | 10.77% | \$1,425,762,453 |
| 2006 | \$1,656,451,339 | 15.25% | \$1,561,372,278 |
| 2007 | \$1,634,581,148 | -1.32% | \$1,658,721,549 |

TOBACCO SETTLEMENT

On November 23, 1998, 46 states, the District of Columbia, American Samoa, the Northern Marianas, Guam, the Virgin Island and Puerto Rico reached a settlement with Phillip Morris, R. J. Reynolds Tobacco Company, Brown and Williamson Tobacco and Lorillard Tobacco Company. The settlement calls for the companies to pay the states, the District of Columbia and territories more than \$206 billion over 25 years of which Alabama is projected to receive \$3.04 billion. As of July 22, 2008, Alabama had received \$979,097,525. Annual receipts were as follows:

| | |
|---------|---------------|
| FY 2000 | \$131,742,413 |
| FY 2001 | \$103,076,538 |
| FY 2002 | \$121,567,706 |
| FY 2003 | \$119,296,356 |
| FY 2004 | \$101,871,680 |
| FY 2005 | \$101,871,492 |
| FY 2006 | \$94,553,640 |
| FY 2007 | \$98,969,041 |
| FY 2008 | \$106,148,659 |

Alabama is projected to have a FY 2009 beginning balance of \$9,754,906 and projected receipts of \$105,157,897 for a total of \$114,912,803. The Alabama Legislature appropriated \$106,374,547 in tobacco revenue to be expended in FY 2009. In addition, \$12,106,902 that was statutorily allocated to the Department of Education will be transferred to the State General Fund (pursuant to Act No. 548 of the 2008 1st Special Session) for a total of \$118,481,449 in tobacco revenue to be expended in FY 2009. Appropriations are as follows:

Children First Trust Fund:

| Agency | Appropriation |
|--|---------------------|
| Alcoholic Beverage Control Board | \$701,817 |
| Department of Child Abuse and Neglect Prevention | 3,092,042 |
| Department of Forensic Sciences | 609,563 |
| Department of Human Resources | 11,880,972 |
| Juvenile Probation Services Fund | 6,107,927 |
| Medicaid Agency | 2,680,820 |
| Department of Mental Health and Mental Retardation | 4,638,697 |
| Multiple Needs Children's Fund | 3,492,613 |
| Department of Public Health | 5,940,485 |
| Department of Rehabilitation Services | 259,757 |
| Department of Youth Services | 14,476,777 |
| Total Appropriation | \$53,881,470 |

Tobacco Settlement Continued:

Other Tobacco Revenue:

| Agency | Appropriation |
|---|----------------------|
| Department of Children's Affairs | \$250,013 |
| 21st Century Debt Services | 13,000,000 |
| Senior Services Trust Fund | 1,671,998 |
| Alabama Medicaid Agency | 35,111,965 |
| Department of Senior Services - Medicaid Waiver | 2,459,101 |
| Total Other Tobacco Appropriation | \$52,493,077 |
| State General Fund Transfer | \$12,106,902 |
| Total Tobacco Revenue Appropriation | \$118,481,449 |

ABC BOARD

DISTRIBUTION OF TAXES AND PROFITS IN FY 2006-2007

| | |
|----------------------|----------------------|
| State General Fund | \$83,230,692 |
| Mental Health | 13,151,531 |
| Human Resources | 45,477,505 |
| Education Trust Fund | 22,308,475 |
| Local Governments | <u>7,411,636</u> |
| TOTAL | \$171,579,839 |

Pricing of a \$10 Bottle of Liquor Sold in ABC Stores

| | |
|-----------------------------------|----------------|
| Cost of bottle – plus delivery | \$10.00 |
| 30% mark-up | 3.00 |
| 56% state liquor tax | 7.28 |
| 6% sales tax (4% state, 2% local) | <u>1.22</u> |
| TOTAL RETAIL PRICE | \$21.50 |

Appropriation to ABC Board for operating expenses
(FY 2009) \$79,223,240

AGRICULTURE AND INDUSTRIES

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|-------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 17,017,065 | 46.05% |
| Agriculture Funds | 17,546,675 | 47.48% |
| TOTAL STATE FUNDS | 34,563,740 | 93.53% |
| FEDERAL & LOCAL | 2,389,807 | 6.47% |
| TOTAL APPROPRIATION | 36,953,547 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Department of Agriculture and Industries provides inspection and grading services to the agriculture industry in the state, issues various agricultural permits and licenses, and performs lab and diagnostic services related to agricultural commodities.

| | <u>Farms</u> (1,000) | | <u>Acreage</u> (mil.) | | <u>Average</u> (acre per farm) | | <u>Net Farm Income</u> (million \$) | |
|----|-------------------------|-------------|--------------------------|-------------|-----------------------------------|-------------|--|-------------|
| | <u>2000</u> | <u>2006</u> | <u>2000</u> | <u>2006</u> | <u>2000</u> | <u>2006</u> | <u>2003</u> | <u>2006</u> |
| US | 2,167 | 2,090 | 945 | 932 | 436 | 446 | 59,500 | 59,005 |
| AL | 47 | 43 | 9 | 8.6 | 191 | 200 | 1,685 | 1,580 |

| | <u>2007 Acres Harvested</u> | <u>2007 Production</u> |
|--------------|-----------------------------|------------------------|
| Cotton (all) | 385,000 | 400,000 bales |
| Hay | 800,000 | 1,360,000 tons |
| Peanuts | 157,000 | 408,200 thousand lbs |
| Soybeans | 180,000 | 3.78 million bushels |
| Wheat | 80,000 | 3.44 million bushels |
| Corn (grain) | 280,000 | 22.12 million bushels |

Agriculture and Industries Continued:

| | | <u>Farm Income</u> (mil. \$) | | | | | |
|----|--------------|---------------------------------|-------------------------------|--------------|--------------|-------------------------------|--|
| | | 2002 | | | 2006 | | |
| | <u>Total</u> | <u>Crops</u> | <u>Livestock Products</u> | <u>Total</u> | <u>Crops</u> | <u>Livestock Products</u> | |
| US | 192,948 | 99,468 | 93,480 | 239,272 | 119,952 | 119,320 | |
| AL | 2,962 | 584 | 2,378 | 3,739 | 696 | 3,043 | |

Sources: National Agricultural Statistics Service.
State Rankings, 2008.

ARCHIVES AND HISTORY

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|-------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 1,889,724 | 9.40% |
| Education Trust Fund | 3,604,444 | 17.94% |
| Archives Capitol Contributions | 14,000,000 | 69.67% |
| Other | 601,000 | 2.99% |
| TOTAL STATE FUNDS | 20,095,168 | 100.00% |
| FEDERAL & LOCAL | 0 | 0.00% |
| TOTAL APPROPRIATION | 20,095,168 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Alabama Department of Archives and History was founded in 1901 and was the first State Department of Archives and History in the United States (33 years before the establishment of the National Archives).

The Museum of Archives and History reported 30,336 visitors and 525 school tours with approximately 22,895 students for FY 2006-2007. The Resources Management function of the Department includes ensuring the preservation of and access to the historical records of state government, assistance in the preservation of historical local government records and the collection of non-governmental records and artifacts that help document Alabama history.

ATTORNEY GENERAL

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---|-------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 13,037,654 | 68.17% |
| General Fund – Consumer Protection | 683,785 | 3.58% |
| General Fund – Consumer Utility Rate Hearing | 281,954 | 1.47% |
| TOTAL STATE FUNDS | 14,003,393 | 73.22% |
| FEDERAL & LOCAL | 1,666,080 | 8.71% |
| MISCELLANEOUS | 3,454,774 | 18.07% |
| TOTAL APPROPRIATION | 19,124,247 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Office of the Attorney General represents the State, its officers and agents and their employees, either directly or through an appointed official, in all legal matters affecting the operation of the state's agencies and departments and municipalities. The Office also issues opinions on statutes and questions of law and may investigate and prosecute all civil actions and other proceedings necessary to protect the rights and interests of the state and of the consuming public of the state in consumer utility rate hearings.

The Office of the Attorney General is made up of the following divisions:

| | |
|-------------------------|---|
| Administrative Hearings | General Civil and Administrative Law |
| Administrative Services | Investigations |
| Capital Litigation | Law Enforcement Unit |
| Constitutional Defense | Medicaid Fraud/Welfare Fraud |
| Consumer Affairs | Opinions |
| Criminal Appeals | Public Corruption and White Collar Crimes |
| Environmental | Victim Assistance |
| Executive | Violent Crimes |

Attorney General Continued:

Selected types and number of cases worked on and/or presented in court for FY 2006-2007 are as follows:

| | |
|-------------------------------------|-------------|
| Consumer complaints received | 4,250 |
| Consumer complaints resolved | 2,632 |
| Savings to consumers | \$576,057 |
| Medicaid Fraud (investigations) | 174 |
| Medicaid Fraud (indictments) | 4 |
| Medicaid Fraud (recoveries) | \$3,817,888 |
| Welfare Fraud (indictments) | 78 |
| Welfare Fraud (convictions) | 140 |
| Amount of welfare fraud restitution | \$526,503 |
| Victim's hotline calls | 1,753 |

Section 36-15-3 of the Code of Alabama provides that the salary of the Attorney General shall be equal to the salary of an Associate Justice of the Supreme Court of Alabama. The Investment In Justice Act of 1999 (Act 99-427) provides for the base state salary of Associate Justices and for additional compensation based on bench experience. The Attorney General is paid the minimum base salary, effective October 1, 2008, of an Associate Justice (\$160,003), plus an additional \$2,000 (1.25% of the base salary) for each year of experience. Although Section 118 of the Constitution of Alabama provides that the compensation of the Attorney General shall not be increased or diminished during a term, this increase is given each year on the anniversary date of the Attorney General assuming that office.

CHILDREN'S AFFAIRS

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|-------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 389,904 | 1.81% |
| Education Trust Fund | 20,078,519 | 92.98% |
| TOTAL STATE FUNDS | 20,468,423 | 94.79% |
| FEDERAL & LOCAL | 1,125,000 | 5.21% |
| TOTAL APPROPRIATION | 21,593,423 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Department of Children's Affairs was created to act as a coordinator for state and local agencies to ensure that services are maximized for the benefit of Alabama's children 19 years of age and younger. Specific responsibilities include:

- Assisting Alabama Children's Policy Council.
- Enhancing pre-kindergarten programs through the Office of School Readiness and the Head Start Program.
- Creating a database that will have all services that are available to children and families in Alabama.
- Hosting special seminars and programs.

CONSERVATION AND NATURAL RESOURCES

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|--------------|-------------------|
| STATE FUNDS | | |
| Conservation Funds* | 110,200,489 | 68.85% |
| TOTAL STATE FUNDS | 110,200,489 | 68.85% |
| FEDERAL & LOCAL | 49,860,446 | 31.15% |
| TOTAL APPROPRIATION | 160,060,935 | 100.00% |

*Appropriation amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Department of Conservation and Natural Resources scope of operations includes the administration, management and maintenance of 22 state parks; 23 public fishing lakes; 3 freshwater fish hatcheries; 30 wildlife management areas; 2 waterfowl refuges; 2 wildlife sanctuaries; 45,000 acres of trust lands managed for the benefit of several agencies; and 600,000 acres of state-owned submerged lands managed for the benefit of the State General Fund and Alabama Trust Fund. The Department provides public safety services for approximately one million boaters on over one million acres of recreational and commercial waterways in the state; implements the Coastal Area Management Program; and manages the 6,000 acres and on-site facilities of the Weeks Bay National Estuarine Research Reserve.

| PERFORMANCE INDICATORS | FY 2006-2007 |
|---|---------------------|
| State park overall guest count | 5,174,680 |
| State park overnight guest count | 1,050,670 |
| Wildlife and Freshwater Fisheries Program arrests | 9,206 |
| Hunter education students | 7,670 |
| Number of deer harvested on management areas | 5,725 |
| Number of fish stocked in public waters | 2,698,719 |
| Number of fish stocked in farm ponds | 1,027,650 |
| Number of fish kills investigated | 934 |
| Boats registered | 273,987 |
| Boating accidents investigated | 113 |
| Marine Police arrests | 3,176 |
| Marine Police warnings issued | 6,031 |
| Marine sanitation devices inspected | 700 |
| Coastal permit reviews | 203 |
| Forever Wild acres acquired | 5,142 |

CORRECTIONS

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|--|--------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 363,651,278 | 82.54% |
| Agricultural Fund | 176,963 | 0.04% |
| Corrections Industries-Other Fund | 26,129,903 | 5.93% |
| Drug Demand Fund | 1,643,892 | 0.37% |
| Departmental Receipts | 21,140,000 | 4.80% |
| Alabama Capital Improvement Trust Fund Transfer | 2,138,600 | 0.49% |
| TOTAL STATE FUNDS | 414,880,636 | 94.17% |
| DOC MISCELLANEOUS & FEDERAL | 25,670,016 | 5.83% |
| TOTAL APPROPRIATION | 440,550,652 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008. This amount does not include the \$10,000,000 conditional appropriation from the State General Fund.

Prison population totaled 29,235 as of the end of September 2007 (including institutions, work release, work centers, supervised intensive restitution, and state prisoners in county jails and in other locations).

September 2007 Inmate Population by Sex and Race

| | <u>Male</u> | <u>Female</u> |
|-------|--------------------|----------------------|
| White | 10,521 (36.0%) | 1,316 (4.5%) |
| Black | 16,471 (56.3%) | 883 (3.0%) |
| Other | 43 (0.1%) | 1 (0.0%) |

September 2007 Occupancy Rates

| | |
|---|-------------|
| Major institutions | 195.5% |
| Work release | 199.2% |
| Work centers | 210.1% |
| Average time served by inmates separated in September 2007 | 41.1 months |
| % of inmate population with previous AL incarceration as of September 2007 | 61.4% |
| FY 2007 average annual maintenance cost per inmate | \$14,403 |

Corrections Continued:

September 2007 Occupancy Rates Continued:

Death row inmates as of the end of
September 2007 199

Total inmate population sentenced under
Habitual Offender Act as of September 2007 9,221
(31.5%)

Life without parole 541
(5.9% of habitual offenders)

Sentencing Ranges for Non-Habitual Offenders (excluding enhancements):

| | Misdemeanor | Felony |
|---------|--|---|
| Class C | Up to three (3) months imprisonment in the county jail, or a fine not to exceed \$500, or both | Not less than one (1) year and one (1) day and not more than ten (10) years imprisonment in the state penitentiary, and may include a fine not to exceed \$15,000. |
| Class B | Up to six (6) months imprisonment in the county jail, or a fine up to \$1,000, or both | Not less than two (2) years and not more than twenty (20) years imprisonment in the state penitentiary, and may include a fine not to exceed \$30,000. |
| Class A | Up to one (1) year imprisonment in the county jail, or a fine up to \$2,000 or both | Not less than ten (10) years and not more than ninety-nine (99) years or life imprisonment in the state penitentiary and may include a fine not to exceed \$60,000. |

Sentencing Ranges Under Habitual Offender:

Section 13A-5-9(a)

Criminal defendant previously convicted of a felony and commits another felony.

| Conviction | Mandatory Punishment |
|---|--|
| Class C felony <ul style="list-style-type: none">• One year, one day to ten years• fine up to \$15,000 | Class B felony <ul style="list-style-type: none">• Two to 20 years• fine up to \$30,000 |
| Class B felony <ul style="list-style-type: none">• Two to 20 years• fine up to \$30,000 | Class A felony <ul style="list-style-type: none">• Ten to 99 years• fine up to \$60,000 |
| Class A felony <ul style="list-style-type: none">• Ten to 99 years• fine up to \$60,000 | <ul style="list-style-type: none">• Imprisonment for life or for any term of not more than 99 years but not less than 15 years• fine up to \$60,000 |

Corrections Continued:

Section 13A-5-9(b)

Criminal defendant previously convicted of any **two** felonies and commits another felony.

| Conviction | Mandatory Punishment |
|---|--|
| Class C felony <ul style="list-style-type: none">One year, one day to ten yearsfine up to \$15,000 | Class A felony <ul style="list-style-type: none">Ten to 99 yearsfine up to \$60,000 |
| Class B felony <ul style="list-style-type: none">Two to 20 yearsfine up to \$30,000 | <ul style="list-style-type: none">Imprisonment for life or for any term of not more than 99 years but not less than 15 yearsfine up to \$60,000 |
| Class A felony <ul style="list-style-type: none">Ten to 99 yearsfine up to \$60,000 | <ul style="list-style-type: none">Imprisonment for life or any term of not less than 99 yearsfine up to \$60,000 |

Section 13A-5-9(c)

Criminal defendant previously convicted of any **three** felonies and commits another felony.

| Conviction | Mandatory Punishment |
|---|---|
| Class C felony <ul style="list-style-type: none">One year, one day to ten yearsfine up to \$15,000 | <ul style="list-style-type: none">Imprisonment for life or for any term of not more than 99 years but not less than 15 yearsfine up to \$60,000 |
| Class B felony <ul style="list-style-type: none">Two to 20 yearsfine up to \$30,000 | <ul style="list-style-type: none">Imprisonment for life or any term of not less than 99 yearsfine up to \$60,000 |
| Class A felony <ul style="list-style-type: none">Ten to 99 yearsfine up to \$60,000 | <ul style="list-style-type: none">Where the defendant has no prior convictions for any Class A felony, he or she must be punished by imprisonment for life or life without the possibility of parole, in the discretion of the trial court. |
| | <ul style="list-style-type: none">Where the defendant has one or more prior convictions for any Class A felony, he or she must be punished by imprisonment for life without the possibility of parole. |

Split sentencing is provided by Section 15-18-8 of the Code of Alabama as an option available to judges to impose upon persons convicted of an offense who are sentenced to 20 years or less, except that persons convicted of a criminal sex offense involving a child which constitutes a Class A or B felony are not eligible for split sentencing.

The options and guidelines for split sentencing are as follows.

1. If the defendant's sentence does not exceed 15 years, the defendant may be confined for a period not to exceed three years and then the remainder of the sentence is suspended and the defendant is placed on probation for the amount of time specified by the court.

Corrections Continued:

If the defendant's sentence does not exceed 20 years but is more than 15 years, the defendant may be confined for a period not to exceed five years but not less than three years, and then the remainder of the sentence is suspended and the defendant is placed on probation for the amount of time specified by the court.

2. The defendant may be confined in Department of Corrections disciplinary, rehabilitation camp program for at least 90 days but not more than 180 days. The Commissioner or a designee is to report to the sentencing court whether or not the defendant completed the program. Upon receipt of the report, the sentencing court may suspend the sentence and place the defendant on probation or confine the defendant to an institution for not more than three years and the remainder of the sentence shall be suspended and the defendant placed on probation. Persons convicted of certain offenses are not eligible for this program.

No defendant serving a minimum period of confinement under split sentencing shall be eligible for parole or for deductions from the sentence under the Alabama Correctional Incentive Time ("Good Time") Act.

INSTITUTE FOR DEAF AND BLIND

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|-------------------|-------------------|
| STATE FUNDS | | |
| Education Trust Fund | | |
| Adult Programs | 11,466,158 | 13.65% |
| Children and Youth | 30,858,992 | 36.75% |
| Industries for the Blind | 9,295,480 | 11.07% |
| TOTAL STATE FUNDS | 51,620,630 | 61.47% |
| FEDERAL & LOCAL | 32,359,023 | 38.53% |
| TOTAL APPROPRIATION | 83,979,653 | 100.00% |

In addition, a \$1,000,000 first priority conditional appropriation was included in the FY 2009 ETF appropriations act to be allocated as follows: (1) Adult Program, \$222,124; (2) Children and Youth Programs, \$597,803; and (3) Industries for the Blind, \$180,073.

The Alabama Institute for Deaf and Blind (AIDB) is a comprehensive education and rehabilitation system serving children and adults who are deaf, blind and multi-disabled. Established in 1858, AIDB is funded through three major divisions: Children and Youth Programs, Adult Programs and the Industries for the Blind. AIDB provides services statewide through regional centers located in Auburn, Birmingham, Dothan, Huntsville, Montgomery, Mobile, Tuscumbia, Tuscaloosa and campus programs including residential services located in Talladega.

Regional Centers services span a lifetime including home and community programs for infants, toddlers, children, adults, and seniors. Accredited residential campus programs serve children ages three through 21 through the Alabama School for the Deaf, Alabama School for the Blind and the Helen Keller School of Alabama. The Gentry campus coordinates postsecondary rehabilitation and employment training for deaf and blind adults. AIDB is supported by appropriations from the Education Trust Fund, income from sales of blind-made products and other sources such as federal grants, private gifts and grants.

ALABAMA DEVELOPMENT OFFICE

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|----------------------------|-----------|------------|
| STATE FUNDS | | |
| General Fund* | 4,164,324 | 92.20% |
| Departmental Receipts | 350,000 | 7.80% |
| TOTAL STATE FUNDS | 4,514,324 | 100.00% |
| FEDERAL & LOCAL | 0 | 0.00% |
| TOTAL APPROPRIATION | 4,514,324 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Alabama Development Office (ADO) aids in the recruitment of new industry, supports existing industry expansion, and promotes trade with other nations. The office operates through the following divisions:

Administrative and Technology Division: Provides general budgetary and accounting services and all computer and data processing services, coordinates all purchasing, and maintains property records and contract files.

Alabama Film Office/Information Services: Promotes the state of Alabama to the film and video industry as a site for on-location production for feature films, television, music videos and industrial and corporate training films, and commercials.

Recruitment Division: Responsible for attracting industry to Alabama by encouraging and promoting foreign manufacturing investment in the state and supporting expansion and retention of existing business.

Small Business Advocacy Division: Provides information on the financial assistance available to small businesses as well as help with regulatory issues. In addition, this Division works closely with the Small Business Development Consortium and in joint efforts with ADECA's Office of Minority Business Enterprise.

Trade Division: Responsible for helping Alabama companies establish a working relationship with export and other professionals. Activities include special programs, trade missions, trade shows, and catalog missions.

| PERFORMANCE INDICATORS | FY 2006-2007 |
|----------------------------|--------------|
| Projects worked | 283 |
| Trade partners linked | 251 |
| Small business workshops | 1 |
| Major film projects worked | 34 |

DISTRICT ATTORNEYS

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|--------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 40,972,129 | 100.00% |
| TOTAL STATE FUNDS | 40,972,129 | 100.00% |
| FEDERAL & LOCAL | 0 | 0.00% |
| TOTAL APPROPRIATION** | 40,972,129 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

**District Attorneys also receive county general fund money and other local funds that are not included in the General Appropriations Act.

District Attorneys are elected for six-year terms in each of the 41 judicial circuits (and the Bessemer Division of the 10th Circuit).

Section 12-17-182 of the Code of Alabama provides that district attorneys shall be paid by the state \$1,000 less than the salary paid by the state to circuit judges. The Investment In Justice Act of 1999 (Act 99-427), which provided for additional state compensation for judges for bench experience, also provided that all district attorneys be paid a state salary equal to \$1,000 less than the salary paid by the state to a circuit judge with the maximum amount of state compensation. District attorneys are paid a state salary of \$148,936.

Supernumerary district attorneys are paid a state salary of \$111,952 (\$500 less than 75% of the state salary of a circuit judge with maximum state compensation).

District attorneys do not make contributions from their salary to a retirement (or equivalent) fund. A supernumerary district attorney's salary and health insurance are paid like that of a district attorney – that is from the State General Fund appropriation to the district attorneys. The state does not pay retirement or FICA on supernumerary salaries. There are 42 district attorneys and 47 supernumerary district attorneys.

ECONOMIC AND COMMUNITY AFFAIRS

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|----------------------------|-------------|------------|
| STATE FUNDS | | |
| General Fund* | 24,296,074 | 9.80% |
| TOTAL STATE FUNDS | 24,296,074 | 9.80% |
| FEDERAL & LOCAL | 188,145,546 | 75.60% |
| OTHER** | 36,297,705 | 14.60% |
| TOTAL APPROPRIATION | 248,739,325 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

**Includes interest from investments, administrative fees from surplus property, sales receipts from data processing and graphic arts services and internal transfers of federal funds from the various programs for administration.

The Alabama Department of Economic and Community Affairs (ADECA) was established in 1983 to administer federal and state programs to help communities attract industry, create jobs, provide resources to underprivileged citizens, and aid law enforcement efforts. ADECA also plans and administers the state's energy, technology, and water resources programs and programs of the Appalachian Regional Commission and the Delta Regional Authority within the state. The Department operates through the following divisions:

Office of the Director: Comprised of the Director, ADECA's Administrative Division and the Appalachian Regional Commission. It is responsible for administering infrastructure grant programs, economic development programs, planning programs, and programs that assist the state's low income populations. Programs include the Community Development Block Grant from the U.S. Department of Housing and Urban Development and the Community Services Block Grant Program from the U.S. Department of Health and Human Services. In addition, the Office oversees the audit and review of ADECA grant recipients, recreation programs and resources for economic assistance.

ADECA Continued:

Communication and Information Division (CID): Provides public information and public relations service on behalf of the director of ADECA. Produces publications and speeches for the director and oversees special projects.

Energy, Weatherization and Technology Division: Provides assistance and services through the management and development of energy programs, the advancement of telecommunications and fosters the advancement of technology to strengthen Alabama's economy.

Financial Services Division: Performs the functions of accounting, budgeting, payroll, purchasing, and property management.

Law Enforcement and Traffic Safety (LETS) Division: Administers federal funding for victims' services, law enforcement, juvenile justice and highway traffic safety programs.

Surplus Property Division: Distributes and sells state agency excess property and surplus federal property.

Office of Water Resources (OWR): Administers programs for river basin management, river assessment, water supply assistance, water conservation, flood mapping, the National Flood Insurance Program, and water resource development.

Office of Workforce Development: The division is the administrative entity for the Alabama Service Delivery Area (ASDA) that represents all counties except Jefferson and Mobile Counties. The division through the ASDA and the Jefferson and Mobile County service delivery areas provide management and funding of WIA programs. The Workforce Investment Act (1998) replaced the Job Training Partnership Act (JTPA) and related federal programs in the year 2000.

PERFORMANCE INDICATORS

FY 2006-2007

Energy Management

| | |
|--|---------|
| Workshops, energy audits, technical assistance and outreach events | 165 |
| Households assisted with utility bills | 120,082 |
| Homes weatherized | 735 |
| Homes inspected | 121 |

Surplus Property

| | |
|------------------------------------|-------|
| Number of eligible entities served | 1,446 |
|------------------------------------|-------|

Water Resources

| | |
|--|-------|
| Number of Certificate of Use holders | 1,197 |
| Number of Floodplain Management Program initiatives | 42 |
| Number of community assistance visits in support of the National Flood Insurance Program | 11 |

ADECA Continued:

PERFORMANCE INDICATORS

FY 2006-2007

Office of the Director

| | |
|--|-----|
| CDBG grants funded | 93 |
| CDBG grants administered | 200 |
| CDBG grants closed out annually | 84 |
| Recreation grants awarded | 51 |
| Recreational sits monitored | 133 |
| Appalachian Regional Commission (ARC) projects awarded | 40 |

EDUCATION – DEPARTMENT OF

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|-------------------------------------|----------------------|-------------------|
| STATE FUNDS | | |
| Education Trust Fund* | 255,795,933 | 17.90% |
| Education Trust Fund-Transfer | 2,214,759 | 0.15% |
| Driver Education & Training Fund | 4,243,250 | 0.30% |
| Special Education Catastrophic Fund | 2,500,000 | 0.17% |
| TOTAL STATE FUNDS | 264,753,942 | 18.52% |
| FEDERAL & LOCAL | 1,164,421,788 | 81.48% |
| TOTAL APPROPRIATION | 1,429,175,730 | 100.00% |

*The ETF amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The State Department of Education executes educational policies for the schools of the state as authorized by law and determined by the State Board of Education and allocates funds to local education agencies based on state law, school board regulations, and federal laws. Technical assistance and other services that are not instructional (i.e., training and research) are also provided to the local systems. In addition, the Department is responsible for administering the accountability program passed by the Legislature in 1995, including financial and academic intervention at the local level. The Department is also responsible for administering the disability determination program under an agreement with the Social Security Administration and the U.S. Department of Health and Human Services. The following non-first priority conditional appropriations are included in the FY 2009 ETF appropriations act:

| | | |
|----|--|---------------------|
| 1 | SDE (for heart defibrillators) | \$1,000,000 |
| 2 | Teacher recruitment incentives | 2,725,000 |
| 3 | Online professional development | 800,000 |
| 4 | High Hopes (for other targeted grades) | 4,331,935 |
| 5 | Gifted Education | 2,337,400 |
| 6 | Career Tech initiative | 2,500,000 |
| 7 | Children's Hospital | 20,000 |
| 8 | PACERS Program | 250,000 |
| 9 | School bus seat belts (pilot program) | 329,220 |
| 10 | Principal Redesign Program | 650,000 |
| 11 | Principal Leadership Program | 750,000 |
| 12 | Training for interpreters for deaf | 250,000 |
| 13 | 21 st Century After School Programs | <u>1,000,000</u> |
| | | \$16,943,555 |

See EDUCATION K-12 FOUNDATION PROGRAM/LOCAL BOARDS for additional information about K-12 education.

EDUCATION – K-12 FOUNDATION PROGRAM/LOCAL BOARDS

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|----------------------------|---------------|------------|
| STATE FUNDS | | |
| Education Trust Fund | 4,036,411,668 | 85.83% |
| Public School Fund (est.) | 165,532,864 | 3.52% |
| TOTAL STATE FUNDS | 4,201,944,532 | 89.35% |
| FEDERAL AND LOCAL | 501,017,467 | 10.65% |
| TOTAL APPROPRIATION | 4,702,961,999 | 100.00% |

| | |
|---|-----------------|
| Foundation Program (including \$5,907,481 for current units) | \$4,067,981,259 |
|---|-----------------|

| | |
|--------------------------|------------|
| Salary Matrix Adjustment | 22,501,687 |
|--------------------------|------------|

| | |
|------------------------|-------------|
| Transportation Program | 336,710,322 |
|------------------------|-------------|

| | |
|-------------------------|------------|
| At-Risk Student Program | 28,828,405 |
|-------------------------|------------|

| | |
|---------------------|---------|
| Board of Adjustment | 562,800 |
|---------------------|---------|

| | |
|---|---------|
| Endowment Interest Program/Public School Fund | 532,864 |
|---|---------|

| | |
|---|-------------|
| Capital Outlay Program/Public School Fund | 165,000,000 |
|---|-------------|

| | |
|-----------------------|------------|
| School Nurses Program | 33,777,343 |
|-----------------------|------------|

| | |
|--|------------|
| Capital Outlay Program/Federal and Local Funds | 42,356,297 |
|--|------------|

| | |
|---|------------------|
| Information Technology Services Program | <u>4,711,022</u> |
|---|------------------|

| | |
|----------------------------|------------------------|
| Total Appropriation | \$4,702,961,999 |
|----------------------------|------------------------|

In addition, a \$4,000,000 first priority conditional appropriation was included in the FY 2009 ETF appropriations act for the Transportation Program. Also, the act included as a first priority conditional appropriation \$13,014,907 to be used for textbooks.

The following non-first priority conditional appropriations were also included in the FY 2009 ETF appropriations act:

| | | |
|---|--------------------------------|------------------|
| 1 | Transportation | \$8,000,000 |
| 2 | Student Materials and Supplies | 6,066,409 |
| 3 | Technology | 4,853,120 |
| 4 | Library Enhancement | 1,213,294 |
| 5 | Professional Development | 2,669,232 |
| 6 | Common Purchase Fund | <u>3,639,831</u> |
| | | \$23,772,654 |

Education-Foundation Program/Local Boards Continued:

For the Salary Matrix and the estimated cost of a teacher unit for FY 2008-2009 see page 5.

Fringe Benefit Rates

| | |
|-----------------------------|-----------------|
| Teachers' Retirement System | 12.07% |
| FICA (Social Security) | 7.65% |
| PEEHIP | \$752 per month |

| | | | |
|-------------------------|---------------|---|------|
| Funding Divisors | Grades K - 3 | : | 13.8 |
| | Grades 4 - 6 | : | 21.4 |
| | Grades 7 - 8 | : | 20.1 |
| | Grades 9 - 12 | : | 18.0 |

Classroom Instructional Support Factors (2008-09)

| | | |
|--|-------------|------------------|
| Student materials | \$400.00 | Per teacher unit |
| Textbooks | \$57.50 | Per pupil |
| Technology | \$250.00 | Per teacher unit |
| Professional development | \$35.00 | Per teacher unit |
| Library enhancement | \$175.00 | Per teacher unit |
| Common purchase | \$125.00 | Per teacher unit |
| Other current expense | \$16,824.00 | Per teacher unit |
| Mills of District Ad Valorem Tax equivalents required | | 10.00 |

Statewide Value of One Mill (2007-08) \$45,866,117

Total Number of Teacher and Instructional Support
Units Appropriated 48,531.20

Local Boards of Education

Number of local school boards 131

Average daily membership K-12 Fall of 2007-08
school year 743,703.51

Number of classroom teachers Fall of 2007-08
school year 49,363

Pupil-Teacher ratio 15.06

Total certificated personnel Fall of 2007-08
school year 58,573

Pupil-certificated staff ratio 12.70

Total support personnel Fall of 2007-08 school year 38,460

EDUCATIONAL TELEVISION COMMISSION

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|--------------|-------------------|
| STATE FUNDS | | |
| Education Trust Fund* | 8,164,407 | 94.15% |
| TOTAL STATE FUNDS | 8,164,407 | 94.15% |
| FEDERAL & LOCAL | 507,171 | 5.85% |
| TOTAL APPROPRIATION | 8,671,578 | 100.00% |

*The ETF amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

In addition, a \$2,000,000 non-first priority conditional appropriation was included in the FY 2009 ETF appropriations act for the Educational Television Commission.

The Alabama Educational Television Commission was organized to make the benefits of educational television available to the citizens of Alabama. The Commission was established in 1953. The Commission controls and supervises the use of television channels assigned for non-commercial, educational use and the programming released over such channels. The Commission is also authorized to own and operate public radio stations within the state.

The Commission is the Federal Communications Commission licensee for nine public television stations and one public radio station. The Commission has total responsibility for the statewide Alabama Public Television Network and for WLRH-FM in Huntsville. The Commission surveys, studies, and appraises the need for an overall plan to make educational television facilities and services available to the state. In addition, the Commission provides financial support for educational telecourses and other public radio stations in Alabama.

The Commission, as mandated by the Federal Communications Commission, has converted the nine public television stations from analog to digital signals. For FY 2007-08, the Commission operated 9 analog transmitters and 9 digital transmitters for approximately 8,448 broadcast hours each. The 9 digital transmitters broadcast 3 programming channels simultaneously, the regular APT programming, the APT Create channel, and the APT-HD channel.

ENVIRONMENTAL MANAGEMENT

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|--------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 7,256,451 | 5.27% |
| Other Funds | 80,549,671 | 58.46% |
| TOTAL STATE FUNDS | 87,806,122 | 63.73% |
| FEDERAL & LOCAL | 49,979,645 | 36.27% |
| TOTAL APPROPRIATION | 137,785,767 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Department of Environmental Management regulates pollutants discharged into the air, on land, and into the water and administers grant programs designed to help municipalities and industries in the management of a healthy environment.

| PERFORMANCE INDICATORS | FY 2006-2007 |
|---|---------------------|
| Permits issued (all) | 9,578 |
| Facilities observed/inspected | 23,889 |
| Administrative orders | 179 |
| Administrative penalties | \$1.75 million |
| Emergency responses | 337 |
| Water monitoring stations maintained | 1,603 |
| Well drillers licensed | 139 |
| Wastewater operator certificates issued | 614 |
| Drinking water operator certificates issued | 899 |
| Lab samples collected | 7,942 |

The Department administers the Alabama Land Recycling and Economic Redevelopment Act (Act 2001-635) providing for the voluntary assessment and/or cleanup of potentially contaminated property. This is a fee driven program in which the Department is responsible for reviewing all cleanup plans and activities to ensure they meet or exceed the requirements of environmental regulations and guidelines.

The Department oversees the Clean Water SRF, providing low interest loans to publicly owned water treatment works in order to help meet the goals of the Clean Water Act. The federal government, through the EPA, provides annual grant money which states are required to match at an

Environmental Management Continued:

80:20 ratio in order to receive the full allotment of federal funds for the program. Since the inception of the Clean Water SRF in 1987 (loans first funded in 1989), 188 loans totaling over \$863.9 million have been funded.

In addition, the Department oversees the Drinking Water SRF, providing low interest loans to improve and/or upgrade publicly owned drinking water systems in order to help meet the goals of the Safe Drinking Water Act. The program is funded in the same manner as the Clean Water SRF. Since the inception of the Drinking Water SRF in 1997 (loans first funded in 1998), 101 loans totaling over \$278.9 million have been funded.

The Department also administers the state's underground and aboveground storage tank regulatory program funded by tank and regulatory fees and tank charges imposed upon tank owners/operators. The program works with responsible parties and ensures that storage tank releases are properly cleaned up by administering the funds in the Alabama Underground and Aboveground Storage Tank Trust Fund which serves as the financial responsibility mechanism for underground storage tank owners and operators. In FY 2007, cleanup was completed at 211 underground storage tank sites that were impacted by releases from leaking underground storage tank systems.

The Department administers and enforces the Alabama Scrap Tire Environmental Quality Act (Act 2003-332). The law uniformly regulates scrap tire accumulations statewide from the point of generation to the point of disposal through a registration program for scrap tire receivers and a permitting system for scrap tire processors and transporters. Additionally, the Department develops a ranking system used for prioritized abatement and remediation actions for the estimated 800 illegal scrap tire dumps. Such remedial activities are funded by a \$1 fee collected at the point of sale from consumers purchasing replacement tires.

FORESTRY COMMISSION

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|-------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 15,312,438 | 45.05% |
| Forestry Funds | 8,377,860 | 24.64% |
| TOTAL STATE FUNDS | 23,690,298 | 69.69% |
| FEDERAL & LOCAL | 10,305,676 | 30.31% |
| TOTAL APPROPRIATION | 33,995,974 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Forestry Commission coordinates and administers the enhancement and protection of Alabama's forests through landowner assistance programs, urban forestry, reforestation, forestry assistance programs, and by assisting in training and acquiring equipment for volunteer fire departments in the state.

| PERFORMANCE INDICATORS | FY 2006-2007 |
|---------------------------------|---------------------|
| State-owned forests managed | 15,000 acres |
| Acres wildfires suppressed | 74,500 |
| Number of wildfires suppressed | 4,590 |
| Acres of prescribed burns (AFC) | 40,000 |
| Forestry workshops and tours | 453 |

Statewide Forest Management Accomplishments:

| Program | Landowners Assisted | Impact |
|-----------------------------------|----------------------------|---------------|
| Tree planting | 378 | 18,077 acres |
| Stand management | 1,060 | 201,137 acres |
| Timber stand improvements | 418 | 15,851 acres |
| Firebreak plowing | 658 | 936 miles |
| Stewardship forest plans | 301 | 34,673 acres |
| New stewardship forests certified | 43 | 13,755 acres |

HIGHER EDUCATION, ALABAMA COMMISSION ON

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|--|-------------------|-------------------|
| STATE FUNDS | | |
| Education Trust Fund* | | |
| Planning and Coordination | 2,760,900 | 11.38% |
| Student Financial Aid | 7,187,272 | 29.62% |
| Support of Other Educational Activities | 3,092,926 | 12.75% |
| Alabama Agricultural Land Grant Alliance | 6,100,000 | 25.14% |
| TOTAL STATE FUNDS | 19,141,098 | 78.89% |
| FEDERAL & LOCAL | 5,123,303 | 21.11% |
| TOTAL APPROPRIATION | 24,264,401 | 100.00% |

*The ETF amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

In addition, a \$6,400,000 non-first priority conditional appropriation was included in the FY 2009 ETF appropriations act for the Alabama Agricultural Land Grand Alliance (AALGA).

The Alabama Commission on Higher Education serves in an advisory capacity to the Legislature and the Governor in respect to postsecondary education matters and administers student financial aid programs. The Commission's activities are divided into five appropriation units as follows:

A. Planning and Coordination Services Program
(FY 09 - \$2,760,900 ETF)

1. The development of Unified Budget Recommendations.
2. The review of all new and existing programs in instruction, research, and public service, and the enforcement of viability standards for programs.
3. The development and maintenance of the State College, University, and Faculty Information System.
4. The coordination of statewide higher education special studies and long range planning projects.
5. The review of new facilities and new construction projects.

Higher Education Continued:

B. Student Financial Assistance Program

(FY 09 - \$7,187,272 ETF; \$10,640,715 total)

1. Alabama National Guard Educational Assistance Program - provides tuition assistance to guardsmen to pursue undergraduate and, to a limited extent, graduate degrees. (FY 07 – 726 awards, \$643 average award, total \$466,523) (FY 09 - \$675,143 ETF).
2. Alabama Student Assistance Program - state supported grant program designed to assist financially needy students. (FY 07 – 3,574 awards, \$593 average award, total \$2,119,200) (FY 09 - \$3,523,658 ETF).
3. Alabama Student Grant Program - provides assistance for residents enrolled in independent, non-profit Alabama Colleges and Universities. (FY 07 – 6,791 awards, \$394 average award, total \$2,678,580) (FY 09 - \$2,819,471 ETF).
4. Police Officers/Firefighters Survivor's Education Assistance Program - provides assistance for undergraduate study for dependents and spouses of police officers and firefighters killed, or totally disabled, in the line of duty. (FY 07 – 24 awards, \$5,024 average award, total \$120,567) (FY 09 - \$137,000 ETF).
5. Chiropractic Scholarships – provides scholarship assistance to financially needy Alabama residents who are enrolled in accredited chiropractic colleges. (FY 07 – 3 awards, \$10,000 average award, total \$30,000) (FY 09 - \$32,000 ETF).

C. Support of Other Educational Activities Program

(FY 09 - \$3,092,926 ETF; \$4,687,786 total)

1. Southern Regional Education Board - includes funding for Minority Doctoral Scholars Program, Academic Common Market and various other scholarships (FY 09 - \$717,271 ETF).
2. Statewide Computer-Based Articulation System – provides for the development and operation of a statewide general studies curriculum articulation system (FY 09 - \$450,000 ETF).
3. Experimental Program to Stimulate Competitive Research (EPSCOR) - merit based programs sponsored by the state and various other entities to enhance the science and engineering research, education and technology capabilities of Alabama (FY 09 - \$1,500,000 ETF).
4. Network of Alabama Academic Libraries (NAAL) - coordinates the sharing of Library resources supporting graduate education and research (FY 09 - \$325,655 ETF).

Higher Education Continued:

5. School and University Partnership for Education Renewal Program (SUPER) – provides graduate-level professional development to grades 3-12 teachers (public and private), school librarians and administrators (FY 09 - \$100,000).
- D. Alabama Agricultural Land Grant Alliance Program
(FY 09 - \$6,100,000 ETF; \$6,175,000 total)

HIGHER EDUCATION SENIOR INSTITUTIONS

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|-----------------------------|---------------|------------|
| STATE FUNDS | | |
| Education Trust Fund | 1,236,857,737 | 25.04% |
| TOTAL STATE FUNDS | 1,236,857,737 | 25.04% |
| FEDERAL & LOCAL | | |
| (includes tuition and fees) | 3,703,230,172 | 74.96% |
| TOTAL APPROPRIATION | 4,940,087,909 | 100.00% |

FY 2008-09 Appropriations by Institution

| <u>Senior Institution</u> | <u>ETF</u> | <u>Federal & Local</u> | <u>Total</u> |
|------------------------------|-------------|--------------------------------|---------------|
| Alabama A&M University | | | |
| O&M | 39,042,626 | 42,632,193 | 81,674,819 |
| Other | 5,721,572 | 41,707,240 | 47,428,812 |
| Total | 44,764,198 | 84,339,433 | 129,103,631 |
| Alabama A&M / Miles College | | | |
| Total | 453,252 | | 453,252 |
| Alabama State University | | | |
| O&M | 47,600,726 | 34,694,156 | 82,294,882 |
| Other | | 42,215,318 | 42,215,318 |
| Total | 47,600,726 | 76,909,474 | 124,510,200 |
| University of Alabama System | | | |
| UA O&M | 175,866,813 | 227,270,211 | 403,137,024 |
| UAB O&M | 310,812,677 | 1,276,598,718 | 1,587,411,395 |
| UAH O&M | 51,529,718 | 49,817,936 | 101,347,654 |
| Special Mental Health-UAB | 4,298,696 | | 4,298,696 |
| UAB Cancer Center | 5,000,000 | | 5,000,000 |
| Other | | 642,021,493 | 642,021,493 |
| Total | 547,507,904 | 2,195,708,358 | 2,743,216,262 |

Senior Institutions Continued:

FY 2008-09 Appropriations by Institution

| <u>Senior Institution</u> | <u>ETF</u> | <u>Federal & Local</u> | <u>Total</u> |
|-------------------------------|-------------|--------------------------------|--------------|
| Auburn University System | | | |
| AU O&M | 191,761,222 | 286,501,668 | 478,262,890 |
| AAES O&M | 35,695,461 | 5,466,860 | 41,162,321 |
| ACES O&M | 38,348,072 | | 38,348,072 |
| AUM O&M | 27,899,629 | 23,981,067 | 51,880,696 |
| Other | | 239,054,979 | 239,054,979 |
| Total | 293,704,384 | 555,004,574 | 848,708,958 |
| Athens State University | | | |
| O&M | 13,807,242 | 10,686,500 | 24,493,742 |
| Other | | 16,737,000 | 16,737,000 |
| Total | 13,807,242 | 27,423,500 | 41,230,742 |
| Jacksonville State University | | | |
| O&M | 44,339,200 | 43,968,090 | 88,307,290 |
| Other | | 26,928,555 | |
| Total | 44,339,200 | 70,896,645 | 115,235,845 |
| University of Montevallo | | | |
| O&M | 21,787,526 | 16,555,973 | 38,343,499 |
| Other | | 13,294,129 | 13,294,129 |
| Total | 21,787,526 | 29,850,102 | 51,637,628 |
| University of North Alabama | | | |
| O&M | 30,741,447 | 31,092,921 | 61,834,368 |
| Other | | 14,266,589 | 14,266,589 |
| Total | 30,741,447 | 45,359,510 | 76,100,957 |
| University of South Alabama | | | |
| O&M | 121,854,973 | 368,257,907 | 490,112,880 |
| Other | | 62,777,615 | 62,777,615 |
| Total | 121,854,973 | 431,035,522 | 552,890,495 |
| Troy University | | | |
| O&M | 55,095,408 | 145,208,570 | 200,303,978 |
| Other | | 28,702,933 | 28,702,933 |
| Total | 55,095,408 | 173,911,503 | 229,006,911 |
| University of West Alabama | | | |
| O&M | 15,201,477 | 8,795,358 | 23,996,835 |
| Other | | 3,996,193 | 3,996,193 |
| Total | 15,201,477 | 12,791,551 | 27,993,028 |

Senior Institutions Continued:

FY 2008-09 Appropriations by Institution

| <u>Senior Institution</u> | <u>ETF</u> | <u>Federal & Local</u> | <u>Total</u> |
|---------------------------|---------------|--------------------------------|---------------|
| Knight v. Alabama | | | |
| Total | 9,743,354 | | 9,743,354 |
| Grand Total | 1,246,601,091 | 3,703,230,172 | 4,949,831,263 |

Federal & Local funds includes Tuition and Fees.

Other appropriations include line items other than Operations and Maintenance and Auxiliary Enterprises and Restricted Funds.

FY 2008-09 ETF Conditional Appropriations by Institution

| | <u>First Priority</u> | <u>Non-First Priority</u> | <u>Total</u> |
|-------------------------------|---------------------------|-------------------------------|--------------|
| Alabama A&M University | 357,552 | 715,105 | 1,072,657 |
| Alabama State University | 348,112 | 696,225 | 1,044,337 |
| University of Alabama System | | | |
| UA | 1,433,661 | 2,867,320 | 4,300,981 |
| UAB | 2,566,684 | 5,133,369 | 7,700,053 |
| UAH | 427,112 | 854,223 | 1,281,335 |
| Auburn University System | | | |
| AU (includes AAES and ACES) | 2,185,134 | 4,370,268 | 6,555,402 |
| AUM | 224,391 | 448,783 | 673,174 |
| Athens State University | 113,614 | 227,229 | 340,843 |
| Jacksonville State University | 349,899 | 699,797 | 1,049,696 |
| University of Montevallo | 179,346 | 358,692 | 538,038 |
| University of North Alabama | 253,976 | 507,952 | 761,928 |
| University of South Alabama | 1,008,355 | 2,016,710 | 3,025,065 |
| Troy University | 438,846 | 1,680,577 | 2,119,423 |
| University of West Alabama | 113,318 | 226,636 | 339,954 |
| Total | 10,000,000 | 20,802,886 | 30,802,886 |

HIGHER EDUCATION TWO-YEAR COLLEGE SYSTEM

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|------------------------------|-------------|------------|
| STATE FUNDS | | |
| Education Trust Fund | | |
| Operations and Maintenance | 340,694,147 | 39.72% |
| Prison Education | 10,004,930 | 1.17% |
| Postsecondary Education | | |
| Department | 5,444,747 | 0.63% |
| Community Educational | | |
| (C.I.T.Y.) Programs | 5,362,878 | 0.63% |
| Adult Education Program | 8,020,185 | 0.94% |
| Special Populations Training | 5,164,364 | 0.60% |
| Mine Safety Training Program | 300,000 | 0.03% |
| Truck Driving Training | 200,000 | 0.02% |
| Workforce Development | 5,380,000 | 0.63% |
| Marion Military Institute | 7,412,925 | 0.86% |
| Alabama Technology Network | 5,835,000 | 0.68% |
| TOTAL STATE FUNDS | 393,819,176 | 45.92% |
| FEDERAL & LOCAL | 463,824,999 | 54.08% |
| (includes tuition and fees) | | |
| TOTAL APPROPRIATION | 857,644,175 | 100.00% |

In addition, the FY 2009 ETF appropriations act included the following conditional appropriations to the Two-Year College System.

First Priority Conditional Appropriations:

| | | |
|---|---|-------------|
| 1 | Community Educational (C.I.T.Y.) Programs | \$1,000,000 |
| 2 | A.I.D.T.(for workforce development) | 3,000,000 |

Non-First Priority Conditional Appropriations:

| | | |
|---|--|------------------|
| 1 | Prison Education (for Therapeutic Education) | 5,300,000 |
| 2 | Adult Basic Education | <u>4,000,000</u> |
| | | \$13,300,000 |

Higher Education-Two-Year College System Continued:

| Institutions | Total Estimated O&M Allocation FY 2008-09 | Prison Ed Allocation FY 2008-09 |
|-------------------------------|---|---------------------------------------|
| Alabama Southern | 8,407,847 | |
| Bevill | 20,618,502 | |
| Bishop | 18,518,113 | |
| Calhoun | 24,477,721 | 915,165 |
| Central Alabama | 10,230,199 | |
| Chattahoochee | 6,597,254 | |
| Jefferson Davis | 6,231,645 | 1,185,898 |
| Drake | 4,645,849 | |
| Enterprise-Ozark | 10,656,266 | |
| Faulkner | 12,086,113 | |
| Gadsden | 28,465,294 | 743,370 |
| Ingram | 4,008,674 | 3,755,758 |
| Jefferson State | 24,545,886 | |
| L.B.Wallace | 8,893,180 | |
| Lawson | 18,101,445 | 624,567 |
| Northeast | 7,642,219 | |
| Northwest-Shoals | 13,991,997 | |
| Reid | 5,295,963 | |
| Shelton | 22,167,649 | |
| Snead | 7,159,379 | |
| Southern Union | 17,084,061 | |
| Trenholm | 12,262,869 | |
| Wallace-Dothan | 18,354,735 | 780,172 |
| Wallace-Hanceville | 19,052,382 | |
| Wallace-Selma | 10,231,008 | |
| SUBTOTAL | 339,726,250 | 8,004,930 |
| Marion Military Institute | 7,412,925 | |
| AL Technology Network | 5,835,000 | |
| TOTAL | 352,974,175 | 8,004,930 |

HISTORICAL COMMISSION

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|-----------------------------|------------|------------|
| STATE FUNDS | | |
| General Fund* | 5,113,167 | 46.87% |
| Other Departmental Receipts | 3,281,276 | 30.08% |
| TOTAL STATE FUNDS | 8,394,443 | 76.95% |
| FEDERAL & LOCAL | 2,514,110 | 23.05% |
| TOTAL APPROPRIATION | 10,908,553 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Historical Commission surveys and maintains inventory of all sites and structures over 50 years old, nominates to the National Register the most important sites and structures while including significant sites on the Alabama Register, maintains environmental review and compliance program where federal funds are involved, reviews and certifies tax act projects, processes grants, promotes historic preservation, manages Main Street Downtown Revitalization programs and maintains historic properties owned by the Commission.

Visitors to properties maintained by the Historical Commission during FY 2006-2007:

| | |
|--|---------|
| Gaineswood | 3,011 |
| Fendall Hall | 4,287 |
| Confederate Park | 24,491 |
| Magnolia Grove | 1,782 |
| Fort Toulouse/Jackson | 46,572 |
| Fort Morgan | 74,539 |
| Belle Mont (only open by appointment) | 757 |
| Cahawba | 24,185 |
| State Capitol | 106,594 |
| Pond Spring (only grounds and out buildings open to groups by appointment) | 240 |

HUMAN RESOURCES

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|----------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 113,577,208 | 8.34% |
| Education Trust Fund | 15,739,683 | 1.16% |
| Other | 117,991,543 | 8.67% |
| TOTAL STATE FUNDS | 247,308,434 | 18.17% |
| FEDERAL & LOCAL | 1,113,751,848 | 81.83% |
| TOTAL APPROPRIATION | 1,361,060,282 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Department of Human Resources (DHR) was created in 1935 as the principal social service agency in the state.

Selected Department Statistics **FY 2006-2007**

| | |
|--|----------|
| Temporary Assistance to Needy Families - (TANF) | |
| families served (monthly average) | 18,777 |
| Adoption services – children placed | 328 |
| Child care for children – number of slots | 32,251 |
| Food assistance – households - (monthly average) | 220,919 |
| Value of food stamps - (monthly average per household) | \$226.62 |

Average Monthly Payments (as of September 2007)

| | |
|---------------------------------------|----------|
| TANF per case | \$186.35 |
| Child care – payment per child | \$249.49 |
| Foster Care Board – payment per child | \$360.00 |

INDUSTRIAL RELATIONS

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---|-------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 2,464,100 | 2.70% |
| Professional Employer Organization Registration Fund | 88,424 | 0.10% |
| TOTAL STATE FUNDS | 2,552,524 | 2.80% |
| FEDERAL & LOCAL | 87,680,086 | 97.20% |
| TOTAL APPROPRIATION | 90,232,610 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Department of Industrial Relations is responsible for administering Employment Service, Unemployment Compensation and Worker's Compensation, Small Business Assistance, Mine Safety, Surface Mine and Reclamation. Under the Wagner-Peyser Act, the Employment Service Division provides statewide public labor exchange activities for people seeking jobs and individuals who are eligible to receive unemployment compensation. Industrial Relations also oversees the reclamation of land and water resources adversely affected by past coal mining and enforces safety requirements of state mining laws.

PERFORMANCE INDICATORS

FY 2006-2007

Unemployment Compensation

| | |
|---------------------------------------|---------------|
| Initial claims | 250,670 |
| Maximum weekly benefit amount payable | \$255** |
| Minimum weekly benefit amount payable | \$45** |
| Gross benefits paid | \$237,260,409 |

Unemployment Tax Contributions

| | |
|---|---------------|
| Number of employers | 90,012 |
| Balance of U.C. Trust Fund (as of 12/31/07) | \$431,858,784 |

Employment Service

| | |
|---|---------|
| Number of job applicants | 292,335 |
| Number of people entering employment after accessing and using Alabama Joblink | 157,755 |

Workers' Compensation Program

| | |
|--------------------------------------|---------------|
| Total compensation payments recorded | \$672,607,030 |
| Maximum weekly compensation payable | \$706*** |
| Minimum weekly compensation payable | \$194*** |

Mining and Reclamation

| | |
|---|-------|
| Number of coal and non-coal mines inspected | 2,442 |
| Number of mining sites reclaimed | 23 |

**Effective July 6, 2008

***Denotes actual number for calendar year 2007

INSURANCE DEPARTMENT

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|-------------------|-------------------|
| STATE FUNDS | | |
| Fire Marshal's Fund | 1,089,245 | 5.61% |
| Examination Revolving Fund | 6,557,023 | 33.77% |
| Insurance Department Fund | 11,717,207 | 60.35% |
| Service Contract Fund | 53,444 | 0.28% |
| TOTAL APPROPRIATION | 19,416,919 | 100.00% |

The Insurance Department is the regulatory agency for insurers operating in Alabama. Responsibilities include examination and licensing of agents and collection of the insurance premium tax.

During FY 2006-2007 receipts from the insurance premium tax were distributed as follows: \$239,839,482 to the State General Fund; \$30,993,296 to the Education Trust Fund; and \$4,525,338 to the Mental Health Trust Fund.

- Domestic and foreign property/casualty insurers pay premium taxes at the rate of 3.6% of premiums from business done in the state except: (1) property and multi-peril insurance written in fire protection classes 9 and 10 and mobile homes, homeowners and low value dwelling policies with a face value of \$40,000 or less are taxed at a rate of 1%; and (2) medical liability insurers are taxed at a rate of 1.6%.
- Domestic and foreign life insurers pay premium taxes at a rate of 2.3% except: (1) individual life insurance policies with a face value greater than \$5,000 and up to and including \$25,000 are taxed at 1%; (2) individual life insurance policies with a face value of \$5,000 or less are taxed at 0.5%; and (3) annuity considerations are not taxed.
- Domestic and foreign health and accident and health insurers pay premium taxes at a rate of 1.6% except: (1) premiums for hospital, medical, surgical or other health care benefits provided for employer sponsored groups with less than 50 participants are taxed at 0.5%; and (2) premiums for insurance benefits supplementary to Medicare and Medicaid are not taxed.
- Surplus line brokers pay premium taxes at a rate of 6% on direct premiums, less return premiums and sums collected to cover state or federal taxes, on surplus line insurance transacted during the preceding calendar year, computed only on the proportion of premiums allocable to risk or exposure located in Alabama.

Insurance Department Continued:

- Pursuant to Act 2006-509, the Department now regulates captive insurance companies, whose premiums are taxed, depending upon the amount of premiums written, at a rate ranging from .025% to .4%, with a minimum annual tax of \$5,000. Pursuant to Act 2008-391, captive insurance companies may provide homeowner's insurance coverage in the gulf front, beach and seacoast areas as designated by the Insurance Services Office, Inc.
- Insurers may qualify for insurance premium tax credits if they make certain types of expenditures such as: (1) contribution of certified capital to an ADO-certified CAPCO; (2) assessments paid as part of the Alabama Health Insurance Program (AHIP) or as part of an insurance guaranty fund; or (3) payment of ad valorem, privilege or county taxes or insurance department examination expenses.

| Top Property & Casualty Insurers in Alabama | | | | |
|--|-------------------------|---------------------|---------------------------|-----------------------------------|
| Insurer | Premiums Written | Market Share | Premium Taxes Paid | Effective Premium Tax Rate |
| Alfa Mutual Ins. Co. | \$632,027,000 | 10.36% | \$8,610,466 | 1.36% |
| State Farm Mutual Automobile Ins. Co. | \$ 43,455,000 | 8.90% | \$11,676,451 | 2.15% |
| State Farm Fire & Casualty Ins. Co. | \$424,989,000 | 6.96% | \$13,103,593 | 3.08% |
| Allstate Ins. Co. | \$206,211,000 | 3.38% | \$6,429,581 | 3.12% |
| Progressive Specialty Ins. Co. | \$166,916,000 | 2.73% | \$5,675,079 | 3.40% |
| Auto-Owners Ins. Co. | \$112,912,000 | 1.85% | \$3,543,517 | 3.14% |
| Nationwide Mutual Fire Ins. Co. | \$107,076,000 | 1.75% | \$2,729,511 | 2.55% |
| Medical Assurance Co. | \$101,120,000 | 1.66% | \$1,349,751 | 1.33% |
| United Services Automobile Assn. | \$95,355,000 | 1.56% | \$2,755,016 | 2.89% |
| Cincinnati Ins. Co. | \$93,258,000 | 1.53% | \$3,266,646 | 3.50% |

MEDICAID

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|--|----------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 615,045,572 | 13.64% |
| Departmental Receipts and Intragovernmental Transfers | 235,501,364 | 5.22% |
| Alabama Health Care Trust | 59,739,343 | 1.33% |
| Certified Public Expenditures | 456,992,341 | 10.14% |
| Drug Rebates | 43,400,000 | 0.96% |
| Medicaid Trust Fund | 38,917,811 | 0.86% |
| TOTAL STATE FUNDS | 1,449,596,431 | 32.16% |
| FEDERAL & LOCAL | 3,058,210,712 | 67.84% |
| TOTAL APPROPRIATION | 4,507,807,143 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008. This amount does not include the \$10,000,000 conditional appropriation from the State General Fund.

The Alabama Medicaid Agency is the sole state agency having responsibility for administering Title XIX of the Social Security Act. Title XIX provides for certain medical services for low-income persons who are categorically eligible. The Medicaid program is funded with federal funds, which must be matched by state funds at a ratio of 67.98:32.02 in fiscal year 2009. Medicaid provides no direct services but provides allowable reimbursement for covered services to those providing medical services to Medicaid eligible persons. Persons must fit into one of several categories and meet certain criteria before being determined Medicaid eligible. Eligibles include:

- Persons receiving SSI.
- Persons receiving assistance through certain programs administered by the Department of Human Resources.
- Certain pregnant women and children, including those with incomes below 133% of poverty (commonly referred to as SOBRA), and foster children in the custody of the state.
- Certain residents of medical facilities (nursing homes, hospitals, or state owned mental illness facilities).
- Some low-income Medicare beneficiaries may qualify to have their premiums, deductibles, and buy-ins paid by Medicaid (referred to as Qualified Medicare Beneficiaries or QMB's).

Medicaid Continued:

| PERFORMANCE INDICATORS | Actual FY 2007 | Percentage |
|---|---------------------------|-------------------|
| Total population ¹ | 4,720,976 | |
| Medicaid eligible population ² | 932,521 | 19.75% |
| Total child population ³ | 1,349,635 | |
| Medicaid eligible children ⁴ | 514,486 | 38.10% |
| Total number of births ⁵ | 64,180 | |
| Number of births paid for by Medicaid | 30,625 | 47.70% |
| Total number of nursing home beds ⁶ | 27,267 | |
| Approximate number of nursing home beds occupied ⁷ | 22,844 | 83.78% |
| Approximate number of nursing home beds occupied by Medicaid recipients ⁸ | 16,192 | 70.88% |

¹ Population projections based on 2000 U.S. Census.

² Alabama Medicaid Agency records FY 2007.

³ Child/children defined as those under age 21.

⁴ Percentage of total population of children.

⁵ Provided by the Alabama Department of Public Health.

⁶ Does not include facilities for the mentally ill or those for the developmentally disabled.

⁷ Percentage of total nursing home beds available.

⁸ Percentage of nursing home beds occupied.

MENTAL HEALTH AND MENTAL RETARDATION

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|----------------------------------|--------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 143,258,026 | 14.98% |
| Education Trust Fund | 33,083,242 | 3.46% |
| Special Mental Health Trust Fund | 208,023,340 | 21.74% |
| Other | 8,911,610 | 0.93% |
| TOTAL STATE FUNDS | 393,276,218 | 41.11% |
| FEDERAL & LOCAL | 563,494,340 | 58.89% |
| TOTAL APPROPRIATION | 956,770,558 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Department of Mental Health and Mental Retardation is the State's designated agency to provide services to those individuals with mental illness, mental retardation, and/or substance abuse disorders. The Department operates psychiatric hospitals and a developmental center. Services in local communities are offered through contracts with over 400 community providers.

| PERFORMANCE INDICATORS | FY 2006-2007 |
|---|---------------------|
| Mental Illness: | |
| Number of hospitals | 7 |
| Total bed capacity for state operated facilities | 1,015 |
| Number of patients served in the community | 99,611 |
| Number of community health centers with at least one year certification | 26 |
| Mental Retardation: | |
| Number of people served in a facility | 200 |
| Number of people served in the community | 10,000 |
| Average daily expenditure per person (community) | \$85.39 |
| Average daily expenditure (facility) | \$422.72 |
| Number served from waiting list | 671 |
| Number of providers achieving two-year certification | 128 |
| Substance Abuse (SA) Treatment Program: | |
| Number of patients served in the treatment program | 21,420 |
| Number of patients served in the prevention program | 25,045 |
| Average annual cost per patient in SA treatment | \$1,464 |
| Average annual cost per patient for SA prevention | \$182 |
| Number of counties that offer SA services | 32 |

MILITARY DEPARTMENT AND ARMORY COMMISSION

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---|------------|------------|
| STATE FUNDS | | |
| General Fund* | 5,991,133 | 6.96% |
| General Fund-Transfer to Armory Commission | 1,464,698 | 1.70% |
| Other Funds | 925,495 | 1.08% |
| TOTAL STATE FUNDS | 8,381,326 | 9.74% |
| FEDERAL & LOCAL | 77,732,771 | 90.26% |
| TOTAL APPROPRIATION | 86,114,097 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Military Department and Armory Commission provide guidance, policy directives and direction that support preparation of Alabama National Guard Units for duty in both their Federal and state missions.

Mobilized military personnel total (includes members of Alabama-based military units mobilized as of August 1, 2008, per the U.S. Department of Defense):

- 111 Air National Guard/Air Force Reserves

- 2,604 Army National Guard/Army Reserves

- 38 Navy Reserves

Total Mobilized Force = 2,753 (does not include personnel from three mobilized Alabama-based marine corps reserve units as their individual personnel totals are unavailable).

As of July 31, 2008, Alabama had:

- 104 Army National Guard Units

- 5 Air National Guard Units

- At least one National Guard unit in 62 counties

- Total National Guard Troop Force = 13,734

Since September 11, 2001, more than 13,000 Alabama Army and Air Guard personnel have been called to active duty.

OIL AND GAS BOARD

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 3,605,564 | 80.86% |
| Surety Bonds Deposits | 20,000 | 0.45% |
| OGB Special Fund | 833,592 | 18.69% |
| TOTAL STATE FUNDS | 4,459,156 | 100.00% |
| FEDERAL & LOCAL | 0 | 0.00% |
| TOTAL APPROPRIATION | 4,459,156 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Oil and Gas Board is responsible for the management and regulation of oil and gas exploration and development including: field monitoring of all petroleum drilling and production activities; compiling, storing and disseminating exploration and production data; preparing petroleum geologic maps; conducting special geologic and engineering studies; water quality monitoring of oil and gas fields; and providing direct assistance to other state agencies and Alabama citizens in oil and gas matters.

| Alabama Totals | FY 2006-2007 |
|---------------------------------------|---------------------|
| Barrels of oil produced | 5.00 million |
| Barrels of condensate | 2.19 million |
| Natural gas production (cubic ft.) | 293.19 billion |
| Wells permitted | 509 |
| Oil and Gas Severance Tax collections | \$139,380,000 |

PARDONS AND PAROLES

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|-------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 39,862,913 | 79.52% |
| Probationer's Upkeep Fund | 9,965,000 | 19.88% |
| TOTAL STATE FUNDS | 49,827,913 | 99.40% |
| FEDERAL & LOCAL | 300,000 | 0.60% |
| TOTAL APPROPRIATION | 50,127,913 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

| PERFORMANCE INDICATORS | FY 2006-2007 |
|---|---------------------|
| Parole consideration interviews | 6,640 |
| Paroles granted | 2,187 |
| Paroles denied | 4,453 |
| Parole violation hearings | 1,106 |
| Probation cases supervised | 48,903 |
| Parole cases supervised | 9,725 |
| Probation and parole cases supervised for other states | 4,710 |
| Probation and parole investigations completed | 59,459 |
| Pardons and/or restoration of civil and political rights granted | 689 |
| Streamlined Voting Rights | 687 |
| Number of field offices in state (including the two transition centers) | 64 |

PUBLIC HEALTH

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|--------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 73,286,324 | 10.53% |
| Education Trust Fund | 16,568,850 | 2.38% |
| Other | 43,183,185 | 6.21% |
| TOTAL STATE FUNDS | 133,038,359 | 19.12% |
| FEDERAL & LOCAL | 562,722,707 | 80.88% |
| TOTAL APPROPRIATION | 695,761,066 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Department of Public Health is responsible for controlling disease, providing medical services and enforcing public health laws.

| PERFORMANCE INDICATORS | FY 2006-2007 |
|--------------------------------------|---------------------|
| Family planning visits | 210,080 |
| Maternity patient visits | 8,933 |
| WIC participants (average per month) | 126,212 |
| STD visits | 48,748 |
| Food service inspections | 65,864 |

Children's Health Insurance Program (CHIP):

CHIP provides child health insurance coverage to Alabama's uninsured children using allocated state funds to access federal dollars from the Children's Health Insurance Program (CHIP). Phase I of Alabama's CHIP expanded Alabama Medicaid coverage to children ages 14 to 19 years with household income below 100% of the federal poverty level (FPL). Phase II provides health insurance to children above the Medicaid levels (133% of the FPL for ages 0 to 6 years and 100% of the FPL for children 6 to 19 years). Phase III, called ALL KIDS, is a private insurance product provided under contract with private insurance companies.

| PERFORMANCE INDICATORS | Actual FY 2006-2007 |
|-------------------------------|--------------------------------|
| CHIP year-end enrollment | 69,076 |

PUBLIC LIBRARY SERVICE

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|--------------|-------------------|
| STATE FUNDS | | |
| Education Trust Fund* | 8,694,699 | 75.03% |
| TOTAL STATE FUNDS | 8,694,699 | 75.03% |
| FEDERAL & LOCAL | 2,892,935 | 24.97% |
| TOTAL APPROPRIATION | 11,587,634 | 100.00% |

*The ETF amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Alabama Public Library Service was established to develop a cooperative system of providing books and library services for the various municipalities and counties of the state. In addition, the Service is responsible for receiving and administering federal funds that are provided for libraries; provides job-related library service to state government employees and agencies; and serves as a regional library for the handicapped. In addition, the Library Service is the fiscal agent for the Alabama Virtual Library Project and sponsors the homeworkalabama.org website.

| Fiscal Year | Total Appropriation Public Library Service | Amount Earmarked for State Aid to Local Libraries | Per Capita State Aid |
|--------------------|---|--|-----------------------------|
| 04-05 | \$9,985,447 | \$4,141,608 | \$0.923 |
| 05-06 | 10,954,314 | 4,725,608 | 1.050 |
| 06-07 | 11,863,834 | 5,090,608 | 1.125 |
| 07-08 | 13,316,999 | 5,450,608 | 1.185 |
| 08-09 | 11,587,634 | 5,090,608 | 1.099 |

PUBLIC SAFETY

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---|--------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 79,521,849 | 46.87% |
| ABI Fund | 200,000 | 0.12% |
| AFIS Fund** | 5,000,000 | 2.95% |
| Highway Traffic Safety Fund | 25,500,000 | 15.03% |
| Motor Vehicle Replacement Fund | 975,000 | 0.57% |
| Public Road and Bridge Fund | 4,500,000 | 2.65% |
| Transfer from Public Road and Bridge Fund | 18,000,000 | 10.61% |
| TOTAL STATE FUNDS | 133,696,849 | 78.80% |
| FEDERAL & LOCAL | 35,971,581 | 21.20% |
| TOTAL APPROPRIATION | 169,668,430 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

**Automated Fingerprint Identification System (AFIS).

The Department of Public Safety consists of the following Divisions: Administrative, Alabama Bureau of Investigation (ABI), Driver License, Highway Patrol, Support Services, and Protective Services.

| PERFORMANCE INDICATORS | FY 2006-2007 |
|--------------------------------------|---------------------|
| Stolen vehicles recovered | 174 |
| Arrest tickets issued | 515,961 |
| Warning tickets issued | 91,346 |
| Polygraph exams conducted | 323 |
| Accidents investigated | 35,236 |
| Motorists assisted | 24,722 |
| Commercial vehicles inspected | 32,541 |
| Investigations conducted | 1,026 |
| Number of persons arrested | 11,546 |
| Overweight truck arrests | 9,754 |
| Marijuana plants seized or destroyed | 25,282 |

PUBLIC SERVICE COMMISSION

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---|-------------------|-------------------|
| STATE FUNDS | | |
| Departmental Receipts | 11,000 | 0.10% |
| Gas Pipeline Safety Funds | 1,176,543 | 6.00% |
| Public Service Commission Funds | 14,013,335 | 71.80% |
| Public Service Commission Fund- Transfer to State General Fund | 3,823,000 | 19.60% |
| TOTAL STATE FUNDS | 19,023,878 | 97.50% |
| FEDERAL & LOCAL | 500,000 | 2.50% |
| TOTAL APPROPRIATION | 19,523,878 | 100.00% |

The Public Service Commission (PSC) regulates transportation and utility companies to ensure that services performed, facilities available and rates charged are equitable. The PSC does not regulate municipal and cooperative utilities. The PSC has an Administrative Service Program and a Regulatory Services Program that includes the following divisions: (1) Energy, (2) Telecommunications, (3) Transportation, and (4) Gas Pipeline Safety. The PSC participates in public hearings involving regulated companies and prepares orders for commission action.

PERFORMANCE INDICATORS **FY 2006-2007**

| | |
|--------------------------------------|-------|
| Commission orders issued | 1,533 |
| Public hearings held | 69 |
| Report and recommended orders issued | 8 |

Inspections:

| | |
|----------------------------------|-------|
| Power plants/gas systems | 59 |
| Telephone equipment | 2,891 |
| Gas pipeline safety | 834 |
| Railway track (miles) inspected | 852 |
| Units of rolling stock inspected | 7,982 |

RETIREMENT SYSTEMS

TEACHERS' RETIREMENT SYSTEM

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|--------------------------|-----------------------|----------------|
| Beginning balance | 17,251,953,523 | 87.46% |
| Employer cost | 770,369,000 | 3.91% |
| Member contributions | 332,280,000 | 1.68% |
| Investment income | <u>1,370,505,000</u> | <u>6.95%</u> |
| TOTAL | 19,725,107,523 | 100.00% |

As of 9/30/2007

| | |
|---------------------------------------|---------|
| Members | 134,520 |
| Retirees - includes DROP participants | 68,962 |

See page 9 for employer contribution rate

EMPLOYEES' RETIREMENT SYSTEM

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|--|----------------------|----------------|
| Beginning balance | 8,327,908,624 | 87.16% |
| Local funds – employers' Contributions | 200,399,000 | 2.10% |
| State agencies' employer Contributions | 186,016,000 | 1.95% |
| Member contributions* | 198,321,000 | 2.07% |
| Investment income | <u>641,944,000</u> | <u>6.72%</u> |
| TOTAL | 9,554,588,624 | 100.00% |

*Includes local employees.

As of 9/30/2007

| | |
|---------------------------------------|--------|
| Members – includes local employees | 82,532 |
| Retirees - includes DROP participants | 35,592 |

See page 9 for employer contribution rate

Retirement System Continued:

JUDICIAL RETIREMENT FUND

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---|--------------------|-------------------|
| Pension balance (est. assets) | 193,634,377 | 87.17% |
| State General Fund (for probate judges) | 1,902,000 | 0.86% |
| State agencies' employer contributions | 8,437,000 | 3.80% |
| Member contributions | 2,584,000 | 1.16% |
| Investment income | <u>15,564,000</u> | <u>7.01%</u> |
| TOTAL | 222,121,377 | 100.00% |

As of 9/30/2007

| | |
|----------------------------|-----|
| Members | 334 |
| Retirees and beneficiaries | 306 |

See page 9 for employer contribution rate

REVENUE

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|--------------|-------------------|
| STATE FUNDS | | |
| General Fund | 363,690 | 0.27% |
| Revenue Administrative Fund | 131,371,060 | 95.89% |
| TOTAL STATE FUNDS | 131,734,750 | 96.16% |
| FEDERAL & LOCAL | 5,265,022 | 3.84% |
| TOTAL APPROPRIATION | 136,999,772 | 100.00% |

The Department of Revenue collected a total of \$8,724,958,233 in state taxes for the fiscal year ending September 30, 2007. A portion of this collection is appropriated from the Revenue Administrative Fund for the operation of the Department.

SECURITIES COMMISSION

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---|------------------|-------------------|
| STATE FUNDS | | |
| Industrial Revenue Bond Notification Fund | 15,000 | 0.20% |
| Sale of Checks Fund | 50,000 | .60% |
| Securities Commission Fund | 6,674,100 | 81.00% |
| Securities Commission Fund- Transfer to State General Fund | 1,500,000 | 18.20% |
| TOTAL STATE FUNDS | 8,239,100 | 100.00% |
| FEDERAL & LOCAL | 0 | 0.00% |
| TOTAL APPROPRIATION | 8,239,100 | 100.00% |

The Securities Commission is responsible for the enforcement of laws governing the issuance, sale and other transactions relative to securities and the sale of checks and money orders. The Commission is funded from trust funds comprised of filing and application fees.

| PERFORMANCE INDICATORS | FY 2006-2007 |
|---|---------------------|
| Broker/Dealer agents licensed | 108,203 |
| Restricted Agents/Issuer licensed | 256 |
| Broker Dealers licensed | 1,751 |
| Investment Advisors licensed/notice filed | 1,061 |
| Investment Advisor Representatives licensed | 4,417 |
| Number of exemptions | 8,717 |
| Sale of checks licenses | 120 |
| Indictments obtained | 14 |
| Arrests made | 12 |
| Convictions obtained | 10 |
| Securities issued | 18 |
| Industrial Development Bond issues (IDB's) | 27 |
| Cases under review or investigation | 597 |

SENIOR SERVICES

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|-------------------|-------------------|
| STATE FUNDS | | |
| General Fund | 5,103,323 | 5.19% |
| General Fund-Medicaid Waiver | 9,396,368 | 9.56% |
| General Fund-SenioRx Alabama | 2,107,003 | 2.15% |
| TOTAL STATE FUNDS | 16,606,694 | 16.90% |
| FEDERAL & LOCAL | 81,668,545 | 83.10% |
| TOTAL APPROPRIATION | 98,275,239 | 100.00% |

The Department of Senior Services, formerly the Commission on Aging, through grants and contracts with 13 Area Agencies on Aging, administers programs funded as a result of the Older American's Act of 1965. In addition, the Department administers one-half of the state's Medicaid Waiver Program - a home and community-based treatment program as an alternative to institutionalization for the state's older persons who are Medicaid eligible.

PERFORMANCE INDICATORS **FY 2006-2007**

| | |
|-------------------------------------|-----------|
| Older persons served (unduplicated) | 81,541 |
| Congregate meals served | 2,187,441 |
| Home delivered meals served | 2,158,972 |
| Transportation | 2,098,849 |
| Legal assistance | 16,688 |

SenioRx **FY 2006-2007**

| | |
|----------------------------|----------------|
| Number of persons served | 3,730 |
| Prescriptions submitted | 29,591 |
| Savings to Alabama seniors | \$10.9 million |

TOURISM AND TRAVEL

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---------------------------------|-------------------|-------------------|
| STATE FUNDS | | |
| General Fund | 1,150,000 | 7.20% |
| Lodgings Tax | 14,788,909 | 92.80% |
| TOTAL STATE FUNDS | 15,938,909 | 100.00% |
| FEDERAL & LOCAL | 0 | 0.00% |
| TOTAL | 15,938,909 | 100.00% |

The Bureau of Tourism and Travel is responsible for the promotion of tourism in Alabama. The Bureau works with the Center for Business and Economic Development at Auburn University at Montgomery to study the economic impact of the tourism industry in the state.

| PERFORMANCE INDICATORS | FY 2006-2007 |
|---|---------------------|
| Employment derived from tourist activity (full-time) | 170,686 jobs |
| Income impact of tourist expenditures | \$3.7 billion |
| Tourism-generated tax revenue (state) | \$489.4 million |
| Tourism-generated tax revenue (local) | \$196.2 million |
| Estimated tourist expenditures | \$9.3 billion |

Source: Auburn University Montgomery Center for Business and Economic Development.

TRANSPORTATION

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|--|---------------|-------------------|
| STATE FUNDS | | |
| Public Road and Bridge Fund | 536,555,120 | 41.24% |
| Public Road and Bridge- Transfer to Public Safety | 22,500,000 | 1.73% |
| Airport Development Fund | 31,320,681 | 2.41% |
| TOTAL STATE FUNDS | 590,375,801 | 45.38% |
| FEDERAL & LOCAL | 710,720,554 | 54.62% |
| TOTAL APPROPRIATION | 1,301,096,355 | 100.00% |

The State Public Road and Bridge Fund is comprised of Highway User Revenues including auto licenses; gasoline tax (16 cents per gallon); motor fuel tax (19 cents per gallon); truck identification decals; petroleum products inspection fees on motor fuel not subject to the motor fuel tax (2 cents per gallon); motor carrier mileage taxes and fees; outdoor advertising permits; oversize and overweight permits; lubricating oil tax; liquefied petroleum licenses; and interest income from Alabama Highway Authority and Industrial Access Road and Bridge Authority bonds. Within the Department, the Federal Aid Construction Program administers all Federal Aid Highway Funds made available to the state.

The Airport Development Fund is comprised of revenue generated from the Aviation Fuel Tax, a portion of the fees collected from ALDOT's Interstate Motorist Logo Program and Federal Aviation Administration (FAA) grants that have been awarded to various airport authorities.

Transportation Continued:

US Department of Transportation: Federal Highway Administration
Summary of Estimated Highway Apportionments as Authorized by SAFETEA-LU
State of Alabama: FY 2007-FY 2009

| Transportation Program | FY 2007 | FY 2008 | FY 2009 | Grand Total |
|-------------------------------------|-------------|-------------|-------------|---------------|
| Interstate Maintenance | 91,458,839 | 92,931,910 | 94,428,700 | 278,819,449 |
| National Hwy. System | 103,697,017 | 105,367,050 | 107,063,975 | 316,128,042 |
| Surface Transportation Program | 121,526,173 | 123,322,562 | 125,308,411 | 370,157,146 |
| Bridge Replacement & Rehabilitation | 70,905,312 | 72,047,390 | 73,207,858 | 216,160,560 |
| Congestion Mitigation & Air Quality | 8,499,317 | 8,636,175 | 8,775,237 | 25,910,729 |
| Appalachian Development | 29,235,269 | 29,235,269 | 29,235,269 | 87,705,807 |
| Rec. Trails | 1,575,260 | 1,681,466 | 1,787,673 | 5,044,399 |
| Metropolitan Planning | 2,839,654 | 2,884,796 | 2,930,666 | 8,655,116 |
| Safety | 22,380,381 | 22,817,304 | 23,261,263 | 68,458,948 |
| Rail-Hwy. Crossings | 4,412,211 | 4,409,492 | 4,409,492 | 13,231,195 |
| Border Infrastructure | - | - | - | - |
| Safe Routes To School | 1,552,872 | 1,920,686 | 2,401,698 | 5,875,256 |
| High Priority Projects | 55,067,440 | 55,067,440 | 55,067,440 | 165,202,320 |
| Equity Bonus | 219,475,579 | 238,263,203 | 238,249,523 | 695,988,305 |
| Grand Total | 732,625,324 | 758,584,745 | 766,127,206 | 2,257,337,275 |

SAFETEA-LU is the acronym for The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. It authorizes the Federal surface transportation programs for highways, highway safety, and transit for the 5-year period 2005-2009 and was enacted on August 10, 2005. It is the successor to the previous highway funding authorization legislation enacted by Congress: The Transportation Equity Act for the 21st Century (TEA-21), which formally expired on September 30, 2003 and was enacted on June 9, 1998.

UNIFIED JUDICIAL SYSTEM

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|---|--------------------|-------------------|
| STATE FUNDS | | |
| General Fund* | 158,765,115 | 85.93% |
| Advanced Technology and Data Exchange Fund | 5,473,454 | 2.96% |
| Capital Improvement Trust Fund Transfer | 171,663 | 0.09% |
| Court Automation Fund | 2,883,878 | 1.56% |
| Court Referral Officer Fund | 4,529,211 | 2.45% |
| Juvenile Probation Services Fund | 6,107,927 | 3.31% |
| TOTAL STATE FUNDS | 177,931,248 | 96.30% |
| FEDERAL & LOCAL | 6,829,802 | 3.70% |
| TOTAL APPROPRIATION | 184,761,050 | 100.00% |

*The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008 and does not include Appellate Courts (Supreme Court, Court of Criminal Appeals, Court of Civil Appeals) nor Probate Courts. Includes Trial Courts and Administrative Office of Courts.

For FY 2009 the Unified Judicial System includes the following:

| | |
|---------------------------|------------|
| Supreme Court | 9 Judges |
| Court of Criminal Appeals | 5 Judges |
| Court of Civil Appeals | 5 Judges |
| Circuit Court | 144 Judges |
| District Court | 105 Judges |
| Probate Court | 68 Judges |

The Supreme Court, the highest state court in Alabama, has the power to superintend and review any case tried, heard, or appealed in any other court in the state. The Court has exclusive jurisdiction in appeals in civil cases in which the amount in controversy exceeds \$50,000; appeals from decisions of the Alabama Public Service Commission involving utility rates; appeals from disciplinary actions taken by the Alabama State Bar; petitions seeking extraordinary relief; and petitions relating to administrative matters of the Alabama State Bar. The Court may transfer to the Court of Civil Appeals any civil case appealed and within the jurisdiction of the Supreme Court, except certain specified cases.

Unified Judicial System Continued:

The Court of Criminal Appeals has exclusive appellate jurisdiction over all appeals in criminal cases including violations of municipal ordinances, and all post-conviction writs.

The Court of Civil Appeals has original appellate jurisdiction in all civil appeals where the amount in controversy does not exceed \$50,000, all appeals from administrative agencies other than the Alabama Public Service Commission, all appeals in Workers' Compensation cases, and all appeals in domestic relations cases. The Supreme Court may transfer to the Court of Civil Appeals any civil case appealed to the Supreme Court, with certain exceptions.

The Circuit Courts are the State's trial courts of general jurisdiction which exercise both criminal and civil jurisdiction. The 67 counties in Alabama are divided into 41 judicial circuits (plus the 10th Circuit Bessemer Division) which are composed of one to five counties. The Circuit Court has exclusive original jurisdiction in civil cases in which the matter in controversy exceeds \$10,000; exclusive original jurisdiction of all felony prosecutions and/or misdemeanors or ordinance violations which are lesser included offenses within a felony charge (except the district court has concurrent jurisdiction with the Circuit Court to receive pleas of guilty in felony cases not punishable by death); original concurrent jurisdiction with the District Court in juvenile cases, and in all civil matters where the amount in controversy exceeds \$3,000 but does not exceed \$10,000.

The District Courts are the State's trial courts of limited jurisdiction. There is a District Court in each county. Sessions of court are held in each county seat and in each municipality of 1,000 or more population where no municipal court exists. District Courts have original civil jurisdiction, concurrent with the Circuit Court, in civil actions in which the matter in controversy does not exceed \$10,000 and civil actions based on unlawful detainer and in juvenile cases. They have exclusive original jurisdiction over all civil matters wherein the amount in controversy does not exceed \$3,000. Civil actions involving \$3,000 or less are heard by the small claims division of District Court. District Courts have exclusive original jurisdiction over prosecutions of all offenses defined by law or ordinance as misdemeanors, except prosecutions by municipalities having municipal courts. They have original jurisdiction concurrent with the Circuit Court to receive pleas of guilty in prosecution of felonies not punishable by death. They have exclusive original jurisdiction of misdemeanor prosecutions for traffic infractions, except ordinance infractions prosecuted in municipal court and DUI offenses committed by juveniles. They have concurrent jurisdiction with the Circuit Court in juvenile cases.

Unified Judicial System Continued:

The Investment In Justice Act of 1999 (Act 99-427) set the base state salary for state judges as follows:

Circuit Judges

FY 2001 - the amount authorized under the state merit system pay plan on the effective date of the act (June 10, 1999) for an Attorney IV, step 14.

FY 2002 - the amount authorized under the state merit system pay plan on the effective date of the act for an Attorney IV, step 17.

FY 2003 and thereafter - \$1,000 more than the maximum paid an Attorney IV on the effective date of the act.

District Judges - \$1,000 less than circuit judges.

Chief Justice - \$3,000 more than the highest total compensation, including salary supplements and expense allowances, of any circuit judge.

Supreme Court Associate Justices - \$1,000 less than the Chief Justice.

Civil/Criminal Appeals Presiding Judges - \$500 less than Associate Justices.

Civil/Criminal Appeals Associate Judges - \$500 less than Presiding Judges.

Act 99-427 also provided additional state compensation based on judges' bench experience, in the amount of 1.25% of the base state salary for each additional year of bench service, up to a maximum of 25%. However, Act 2004-636 froze bench experience compensation by providing that no judges have their salary additionally increased for bench experience after May 26, 2004. Act 2006-119 (SJR 33 - the Report of the Judicial Compensation Commission made in the 2006 Regular Session of the Legislature) reinstated additional compensation for bench experience - but only for circuit and district judges, to be implemented October 1, 2006.

Act 99-427 also provided that local supplements and expense allowances of circuit and district judges be reduced by the amount of their state salary increases until the supplements are eliminated. The act also provided that judges first elected or appointed after October 1, 2001 shall not receive a local supplement or expense allowance.

Act 2007-297 provided that the cost-of-living salary increase for FY 2008 and FY 2009 shall not apply to any appellate judge.

Unified Judicial System Continued:

Judicial State Salaries Ranges
(including bench experience) are:

| | |
|----------------------------------|-----------------------|
| Circuit Judges | \$119,949 - \$149,936 |
| District Judges | \$118,949 - \$148,986 |
| Chief Justice* | \$161,003 - \$201,253 |
| Associate Justices* | \$160,003 - \$200,003 |
| Appeals Courts Presiding Judges* | \$159,503 - \$199,378 |
| Appeals Courts Associate Judges* | \$159,003 - \$198,753 |

*The salary amounts shown reflect that appellate judges received a salary increase in FY 2008 and will receive a salary increase in FY 2009.

The salary of Circuit and District Clerks is linked to the salary schedule of the Assistant Clerk of the Court of Criminal Appeals (except as provided for by Act 2000-611 which prohibited circuit clerks from receiving the 2% cost-of-living adjustment effective in fiscal years 2001 and 2002). For FY 2009, the salary range is \$69,098 to \$105,403 depending upon years of service, for those who take office for the first time on or after January 18, 1999. For those who were in office before January 18, 1999, the range is \$90,726 to \$105,403.

The salary of an Official Court Reporter is \$52,798 for FY 2009.

VETERANS AFFAIRS

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|--------------------------------------|------------|------------|
| STATE FUNDS | | |
| General Fund* | 3,028,551 | 4.13% |
| Education Trust Fund | 23,267,121 | 31.67% |
| Veterans' Assistance Fund | 33,814,514 | 46.02% |
| TOTAL STATE FUNDS | 60,110,186 | 81.82% |
| VETERAN'S HOME TRUST TRANSFER | 13,367,813 | 18.19% |
| TOTAL APPROPRIATION | 73,477,999 | 100.00% |

* The General Fund amount does not include the amount appropriated for the 3.5% salary increase effective October 1, 2008.

The Department of Veterans Affairs assists 415,000 living veterans and their dependents throughout the state's 79 offices. The Department also administers the Alabama G.I. and Dependents Educational Benefit Act. As part of administering these acts, the Department receives an open-ended appropriation from the Education Trust Fund (ETF), pursuant to Section 31-6-15 of the Code of Alabama 1975. The Department is appropriated from the ETF an amount "as may be necessary" to reimburse Alabama educational institutions for educational benefits provided to qualified veterans.

| PERFORMANCE INDICATORS | FY 2006-2007 |
|--|--------------|
| Medical claims filed | 7,037 |
| Insurance claims filed | 700 |
| Educational claims filed (state and federal) | 5,790 |
| Original educational benefit certificates issued | 1,506 |
| Supplemental certificates issued | 846 |

The Department of Veterans Affairs and the State Board of Veterans Affairs supervises the operations of the 150 bed Bill Nichols State Veterans Home in Alexander City, Alabama, the 150 bed William F. Green State Veterans Home in Bay Minette, Alabama and the 150 bed Floyd "Tut" Fan State Veterans Home in Huntsville, Alabama. These facilities are operated with state, patient and federal per diem funds. The Department is also planning on constructing a fourth veterans home in Pell City, Alabama. This will be a 260 bed facility, with 80 beds reserved for veterans requiring assisted living-type care, and 180 beds reserved for veterans requiring skilled nursing care (the type provided at the other three homes).

| | |
|-----------------------------------|-------------------------|
| | <u>Effective 7-1-08</u> |
| Daily housing rate | \$161.52 |
| Federal per diem | (71.42) |
| State per diem | <u>(78.46)</u> |
| Out-of-pocket expense by veterans | \$11.64 |

YOUTH SERVICES

| FY 2008-09 APPROPRIATION | TOTAL | % OF TOTAL |
|----------------------------|------------|------------|
| STATE FUNDS | | |
| General Fund | 15,073,833 | 17.39% |
| Education Trust Fund | 55,724,192 | 64.30% |
| TOTAL STATE FUNDS | 70,798,025 | 81.69% |
| FEDERAL & LOCAL | 15,867,754 | 18.31% |
| TOTAL APPROPRIATION | 86,665,779 | 100.00% |

The Department of Youth Services (DYS) provides programs for the prevention of juvenile delinquency and the rehabilitation of delinquent youth. Programs include evaluation, detention, rehabilitation, and education.

Facilities include:

| | |
|--------------------------------------|------------------|
| 3 state operated institutional units | 486 bed capacity |
| 2 state operated short-term programs | 102 bed capacity |
| 4 state operated group homes | 49 bed capacity |
| 21 contracts with private facilities | 497 bed capacity |

3,262 youth were committed to DYS in FY 2007 for treatment and rehabilitation from approximately 52,731 cases referred to the Alabama Juvenile Court System.

The Department has budgeted operating expenses at \$177 per day (\$64,600 per year) at the traditional state operated training school institutions and \$108 per day (\$39,420 per year) at the group homes. The operating expense for DYS short-term programs is \$146 per day (\$53,290 per year). Private placement costs range from \$80 to \$170 per day depending upon level of service.

In 2008, DYS estimated capital cost of \$138,000 per bed for construction of a new, freestanding secure facility (\$3.3 million for 24 beds) and capital cost of \$64,000 per bed for construction of additional dorms at existing facilities.